

OVERSEAS NEWS

Brazil Congress in revolt over fiscal package

BY IVO DAWNAY IN RIO DE JANEIRO

THE Brazilian Congress is in revolt against the government's fiscal package, now imminent, aimed at reducing the country's soaring public sector deficit.

With the details of the measures yet to be published, political parties of both left and right have attacked the plan, for opposite reasons.

On Thursday, a broad coalition of interests gathered more than 187 signatures from Congressmen opposed to the plan. This is enough to mount a constitutional challenge to the government's right to press ahead with the proposals.

The package envisages a substantial revision of tax rates and the introduction of a wealth tax. The critics say any fiscal changes would pre-empt clauses now being prepared for the new constitution on reform of tax-raising powers and procedures.

Both President Jose Sarney and Mr Luis Carlos Bresser Per-



Jose Sarney, placed in a quandary

eira, the Finance Minister, are now in a serious quandary as to how to proceed. Until now, the president has governed through decrees laws, but the Congress has a complex case to argue that he cannot act unilaterally on measures that would pre-empt constitutional decisions.

Mr Bresser claims that urgent steps have to be taken immediately to raise government revenue in the light of a growing public sector deficit now estimated by some to be more than 6 per cent of gross domestic product.

Newspaper reports of the tax increases, which will fall heavily on the wealthy, have fuelled a rapid rise in the value of the "black" dollar as savers have sought to escape the tax net.

S African censor passes Biko film

By Anthony Robinson Johannesburg

A SURPRISE decision yesterday by the South African censor means that local audiences of all races will be allowed to see "Ory Freedom", the film about the life of black consciousness leader Steve Biko.

The controversial film, shot on location in Zimbabwe by the British film director Sir Richard Attenborough, deals partly with the black leader who died in a Pretoria police cell in 1977. His death came after a 1,200 km drive, naked and shackled in a police Landrover, from Fort Elizabeth where he had been interrogated for days by the security police.

The film also explores the relationship between Mr Biko and Mr Donald Woods, former editor of the Daily Dispatch newspaper who was banned, and subsequently escaped from South Africa, after befriending the black leader and allowing him to put his views across in the Dispatch.

The idea of a film about Mr Biko having been made by whites, and the alleged disproportionate emphasis on the friendship between the two men, led to denunciations of the film and its director from black consciousness and other black critics. There is little doubt, however, that the film will attract enormous interest in a country which is so many ways "deprived of its history by decades of censorship, banning and propaganda."

South African censorship rules, which forbid publication of the words or the photographs of banned persons without permission, still remain in force. But the censorship of books and films has become decidedly less oppressive in recent years under Dr Bhebe Cebeswe, the director of publications whose committee reviewed the film this week, and gave it a certificate for general distribution.

Just over a year ago, following racial segregation, cinemas became multi-racial, partly due to pressure from US film distributors who threatened to stop showing films to South Africa unless they could be shown to multi-racial audiences.

The censor also allowed distribution of Sir Richard's earlier film on the life of Gandhi, which included scenes of him being thrown off a train by a white guard while still a young lawyer living in South Africa. At that time however, cinemas were still segregated and Sir Richard was attacked for allowing his film to be shown in this way. His latest film promises to be seen by a much wider black audience flocking to cinemas which are still mainly in white areas.

However, in the large cities, the SAPP and Professor Erdal Inoni, its leader, appear to be gaining ground fast, though the polls show it running well below the 30 per cent mark.

Some of the swing to the SAPP seems to be a reaction against bad local government. In Ankara, a crowd protesting at the coal shortage in the capital which has left many homes without gas, police on Thursday as they tried to reach Mr Mehmet Altinsoy, the city's mayor.

Mr Ozal has promised that he will give civil servants a "nice surprise" on the eve of the election. Turkey's large and badly paid civil service is one of the principal sources of opposition to the Menderes Party.

The Prime Minister would not say what he was planning for civil servants but said the Government wanted to give them more generous support.

The Motherland Party has already taken steps to win votes of most key social and economic groups especially farmers, and has made strikingly effective use of patronage connections in provincial society.

The press - which is generally deeply hostile to the Motherland Party - has been playing up fears about the prime minister's health. Last February he had a triple by-pass heart operation in Texas and though generally fit, has kept election campaigning to a minimum in the last few weeks.

On the eve of tomorrow's general elections, Prime Minister Turgut Ozal yesterday stepped up his attack on the opposition Social Democracy Populist Party, saying that it was backed by "foreign forces" and "the outlawed Turkish Communist Party."

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Pretoria gold given new underground home

BY ANTHONY ROBINSON IN PRETORIA

NOWHERE DOES gold dug from the mines return underground to the vaults more quickly than in South Africa where the gold-bearing Witwatersrand is less than 50 km south of the capital Pretoria.

But over the last few weeks South Africa's gold reserves have found a new home. The reserves, all 6,212bn fine ounces of them, have been transferred from the Reserve Bank's old headquarters Church Square - under the eagle eye of Boer President Paul Kruger's statue - to the vaults of a new 32-storey black marble and glass skyscraper 1km away.

Right through the worst of the South African financial crisis work continued apace on the R117m (\$20.9m) addition to the Pretoria skyline.

In its way the new high-tech Reserve Bank became a symbol

of that dogged Afrikaner determination to press ahead - despite the rush for the exit by foreign banks in August 1986 which led to the partial debt moratorium and re-introduction of the two-tier Rand system.

On Thursday night it was officially opened by President P W Botha during a glittering banquet which was the highlight in Pretoria's social calendar. As Governor Charles de Kock noted in his welcoming speech "dealing with the debt crisis was child's play compared with getting the protocol right tonight."

What happened next revealed much about South Africa's search for new economic and financial friends to replace disinvesting traditional banking partners such as Barclays, Standard Chartered, Hill Samuel and America's City Bank and the cold shoulder from the IMF and other institutions.

In his best purkash style the governor turned to his guest of honour, Mr Chiang Chi-cheng, the governor of the Central Bank of China in Taipei, recalling how Taiwan now had over \$70bn of reserves he proposed - "you have the gold. We have the vaults. Let's make a deal."

It was a good line and the audience loved it, especially as he followed up by confirming that South Africa's own reserves had indeed been transferred to the high-tech security of the new vaults. "Yes its true, Japle Jacobs (the deputy governor) and myself carried a small bar each last weekend," he quipped.

In fact the reserves have more than doubled over last year during which time violent black protest has subsided through a mix of co-optation and coercion and South Africa has received what Dr de Kock described as a degree of "grudging admiration" from foreign bankers.

And yet, it was those eminent bankers and institutions who were invited but declined - such as the IMF or Dr Fritz Leutwiler, the former Swiss National Bank chairman and erstwhile debt mediator - who spoke perhaps more eloquently about the reality of South Africa's continuing isolation by their absence.

As Mr Harry Oppenheimer, the doyen of South Africa's private sector, reminded his audience the end of South Africa's isolation, of sanctions and disinvestment requires political solutions.

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De Kock: Puckish style

chief executive of National Bank (formerly Barclays Bank), listened with suitably oriental inscrutability.

Squatters blamed for mission massacre

BY TONY HAWKINS IN HARARE

ZIMBABWE Home Affairs Minister Ernest Moyo yesterday blamed local squatters for the "heinous killing" of 16 whites in the Hope Fountain mission area 30km south of Bulawayo.

The city is the capital of the south western province of Matabeleland, where anti-government rebels have been active since 1982. The inter-denominational group of lay missionaries, who were backed to death, ran a co-operative farm.

Mr Moyo gave the first official Zimbabwe government confirmation of the massacre hours after the story had been carried by foreign news media.

He said a local squatter leader, now in custody, had warned the

victims that they "were not going to have their next meal". The minister said the killings had been carried out by a group of about 20 anti-government dissidents led by a man called Seygusu, also known as Morgan.

Thirteen of the dead were Zimbabwe citizens, two were Americans and one British. They included two teenage girls, one small boy and two babies. Two children managed to escape. The bodies left a note, in broken English, urging Zimbabweans not to support capital-oriented western countries and describing British prime minister Margaret Thatcher and Zimbabwean premier Robert Mugabe as enemies of the people.

The victims were "innocent people talking about peace", Mr Moyo said, but they had been murdered by dissidents seeking to exploit squatter grievances for political reasons.

While no political accusations concerning the killings have yet been made, there are fears that the massacre could adversely affect the proposed unit pact, thought to be imminent, between Mr Mugabe's ruling ZANU-PF party and Mr Joshua Nkomo's opposition ZAPU.

Mr Moyo said the massacre had its origins in tensions over land rights in Zimbabwe. The Governor of Matabeleland province had gone to the area only last week to discuss the land problem with disgruntled squatters whose situation has deteriorated as Matabeleland faces its sixth successive year of drought.

The Governor had told the squatters that they would be removed if they tried to take over the mission's land for grazing and it was this that resulted in threats against the lay missionaries being made by the squatters leader.

The minister said a special anti-bandit unit was being deployed to take down the squatters, but mission sources complained there had been a long delay before the security forces reacted to calls for help after the massacre early on Thursday morning.

Zimbabwe's shadowy war, Page 9

French hostages released

TWO French hostages, Jean Louis Normandin and Roger Anquet, were released at the seafloor Summerland hotel in Moslem West Beirut yesterday, Eastern reports from Beirut.

They were freed by the Revolutionary Justice Organisation, a pro-iranian guerrilla group which said its move followed assurances by France that it would change its Middle East policy.

The shadowy group, which has freed five other French nationals in the past year, demanded that France change its hostile policy in the Middle East and stop supporting Iraq in the Gulf war.

Iraq hits tanker

Iraq said yesterday its warplanes hit a supertanker off the Iranian coast. Lloyd's Shipping Intelligence Unit has not been able to confirm the report or identify the vessel, writes Joan Wucher King.

Hawke's Gulf plan

Australia is considering sending naval divers to the Gulf to help Western efforts to protect shipping, writes Chris Sharwell in Sydney.

Left-wing members of the ruling Labour Party fear Australia risks becoming caught up in the Iran-Iraq conflict. But the opposition Liberal Party backed the idea.

Iran is an important trading partner for Australia, but the prime minister, Mr Bob Hawke, is a strong supporter of the Western alliance.

Bhopal relief ruling

A judge in Bhopal is to rule on how much interim relief Union Carbide must pay to victims of the pesticides plant gas leak three years ago by January 11, before the hearings on the Indian Government's \$3bn claim begin, writes K K Sharma in New Delhi.

Israeli growth at 4%

Israel's economy is growing at more than 4 per cent a year - the best performance for well over a decade - according to Moshe Nissim, the Finance Minister, writes Andrew Whitely in Jerusalem.

Takeshita hints to open markets

By Ian Rodger in Tokyo

MR NOBORU TAKESHITA, Japan's new prime minister, has warned the Japanese people that they might have to "forbear and endure" unpopular measures aimed at reducing trade frictions with other countries.

In his first policy speech since becoming prime minister early this month, Mr Takeshita said at the opening of a special session of the Diet (parliament) that Japan had to continue working to open its markets if it was to harmonise its economy with the rest of the world.

There may be times when we will have to ask the people to forbear and endure. However, Japan is one of the countries that has benefited the most from free trade. He hoped the people would understand that reforms were necessary if Japan was to continue to develop.

His comments came at a time when Japan is under increasing international pressure to remove barriers against imports of food and drink and to allow foreign civil engineering firms to compete in the domestic market.

These are all areas in which domestic vested interests are powerful, making it difficult for the Government to act against their wishes.

On the domestic front, Mr Takeshita said the Government would take steps to ease the acute problem of high land prices in the Tokyo area, and would make another attempt to reform the country's tax system. Last spring, the Government had to withdraw a bill aimed at establishing a value added tax because of widespread opposition.

Mr Takeshita said he believed there was now "a heightened popular awareness" of the need for tax reform and he planned to introduce proposals for consideration next year.



Takeshita: "forbear and endure"

Japan's industrial production rose 1.2 per cent in October, seasonally adjusted, according to the Ministry of International Trade and Industry. Ian Rodger reports from Tokyo. The production index reached 130.7, 6 points higher than in October 1986 (base 100 in 1980).

Mid said nine of the 14 industries included in its survey enjoyed production gains in the month, led by the precision instrument sector where output was up 13.5 per cent. Mild is forecasting a 3.5 per cent rise in the production index in November and a 1.3 per cent decline in December. The underlying upward trend is expected to continue, partly because producers are likely to start rebuilding inventories.

Mr Tolman sees the globe is kept up to date

MR LEROY Tolman did not blanch when a Texas millionaire asked him for a globe of Texas. It is one of the more bizarre requests he recalls in his career as chief cartographer for Replogle Globes, the world's highest globe-making firm.

Founded in a basement in 1930 by Mr Luther Replogle, the company saw a mass market develop for its product after the boundary upheavals in the Second World War. Since then, Replogle's marketing push for a "globe in every home" has racked up sales of more than \$10m a year.

The company is independently assessed as having a 60 per cent share of the world's globe market.

This presents some delicate problems for Mr Tolman, who is assigned the arduous task of updating Replogle's maps three to four times a year. He has often found himself in a tight spot over country names and disputed territories.

What he dreams most is a revolution or political event that might change a country's name as he is going to press with a new map, particularly around the Christmas boom period.

Sometimes if a revolution is "city" and it's close to press-time, Mr Tolman will have to come down in support of one side or the other. There have been times when this has left him with egg on his face.

He cringes at the memory of a move by former Argentine leader, Mr Juan Peron, to change the name of La Plata, the first lady, Eva Peron. No sooner was the ink dry on Mr Tolman's maps than Peron was ousted and the name was changed back to La Plata. Inevitably, the company received a lot of letters over the next few months to point that one out.

Mr Tolman says he will usually follow the guidance of the CIA or some other US government agency. However, when the US is out of step with world opinion, he will stick to generally-accepted cartographic rules.

This is evident in his decision to colour the Baltic states of Latvia, Lithuania and Estonia green in line with the Soviet Union's shade, a move that has solicited a large mailing from advocates of those states' independence.

The US government, on the other hand, does not accept their status as part of the Soviet Union and colours them in stripes on its official maps.

However, Replogle is not averse to ceding the odd carto-

Deborah Hargreaves reports on the cartographer's work at the world's largest globe manufacturer

graphic point for a large customer. For an order of say, 10,000 globes, customers can have mostly what they want.

Thus Kashmir can appear within India's border on an atlas, though a good portion of it belongs to Pakistan.

Mr Tolman did the same for Japan, which takes a dim view of the way Replogle depicts the Kuril Islands in the same colour as the Japanese claims on the territory. The most he can do is include a note in brackets which tells globe users the islands are Soviet occupied, but claimed by Japan.

A similar note appears on the Falkland Islands. Here, the Spanish name appears in brackets and Argentina's claims on the territory are mentioned, while pointing out they are administered by Britain. Mr Tolman stresses he coloured the islands pink to match Britain, but by coincidence this is not far off Argentina's pale orange.

Mr Tolman spends much time charting unrest in the world to stay abreast of events that may change a name here, a border there. But he also has to contend with deeply entrenched opposition closer to home.

The West Coast-based Flat Earth Society has addressed a barrage of letters to convert Mr Tolman to its cause, insisting the idea that the Earth is a sphere is entirely and absolutely false.

Mr Tolman is unmoved, but he has produced a square-shaped globe for a company that wanted to use it for packing.

Replogle's plant in a leafy suburb of Chicago makes over 1m globes a year, retailing from \$7.95 for a 120mm version to \$3,500 for a mahogany-mounted, illuminated model.

Output is largely geared to the busy Christmas market, and from October onwards, the company is so busy it must suspend up to 2,000 globes on an overhead conveyor, giving the place an ethereal feel.

Mr Bill Nickels, who bought the company from Mr Replogle, is confident the market is growing. He is trying to boost the globe replacement market. "A globe is not like a piece of fresh meat, but it is perishable," he says, pointing to the need for a new one every so often. This is where Mr Tolman comes in.

CBI rates plan for businesses rejected

By Paul Chesser, Property Correspondent

THE GOVERNMENT has told the Confederation of British Industry that it cannot accept its proposals for a reform of business rates.

However, in a speech to a London conference on business rates last night, Mr Michael Howard, the Local Government Minister, argued that some fears expressed by business people about the effect of the Government's plans had been taken to ridiculous extremes.

The Government has already started the first revaluation of non-domestic property since 1973 and will use this as a base for the introduction from 1990 of a uniform business rate.

The CBI put forward alternative rate reform proposals 10 days after the Minister's speech. The proposals are based on the idea that business should contribute to the costs of only those local services which benefit it directly.

"We have had to tell them that those proposals do not accord with our manifesto commitments. Nor would they deliver the clear local accountability which is our primary objective. We cannot therefore accept their alternative," Mr Howard told the conference, which was organised by Political Relations.

The only concession Mr Howard made to the CBI was that the Government would look sympathetically at the possibilities of a continuing form of consultation between local authorities and business under its new system.

He told 125 executives that those who feared a fivefold or sixfold increase in their rate bills were almost certainly wrong by a huge margin.

He said many who feared the worst had not understood that the Government did not propose to raise more in real terms than the new business rate than was raised by the old.

Retailers, with their higher rental values, could expect to pay more. Manufacturing industry was likely to pay less.

Businesses in the north of England and the Midlands could be 700m a year better off, said Mr Howard suggested this would be a major contribution to bridging the so-called north-south divide.

Picking up a familiar theme of attacking Labour-controlled local authorities, Mr Howard claimed that businesses in Manchester, Liverpool and Newcastle upon Tyne could see rate cuts of more than 30 per cent.

Poll tax bill debut date set

By John Hunt

THE CONTROVERSIAL bill for the introduction of the community charge - the so-called poll tax that will replace the present local authority rates - is to be published next Friday.

It is expected it will get a second reading in the Commons in three weeks and go to the House of Lords by Easter.

A tough battle is expected in both Houses but the Government still expects the measure to become law by the summer.

The legislation is intended to introduce the new system for England and Wales by 1990-91 in one go. There will, however, be an exception for higher spending areas of London where it will be phased in over four years.

The poll tax for Scotland has already become law.

Last night Mr David Steel, the Liberal leader, speaking in Rochdale, made a scathing attack on the proposals, saying the tax was designed to be unfair. He claimed it exemplified the Government's policy of protecting the wealthy.

Earlier this week Mr Michael Howard, Local Government Minister, admitted that 3m households might face an increase of more than 50 per cent in local tax bills as a result of the system.

BR fares rise blamed on cuts

By Kevin Brown, Transport Correspondent

BRITISH RAIL is being forced by cuts in government subsidies to increase fares by more than the general level of inflation, the statutory railway watchdog said yesterday.

The Central Transport Consultative Committee, which represents rail users, said BR was unable to meet government financial targets purely through cost savings and improved efficiency.

The committee's comments followed confirmation from BR that fares will rise by an average of 5.5 per cent from January 10. Some inter-city fares will rise by up to 11 per cent.

Mr Lennox Napier, committee chairman, accused BR of using price increases to reduce demand on some services.

Government grants to BR have been cut by 25 per cent over the past three years and are to be cut by a further 25 per cent by 1990.

Raymond Snoddy on half a century of The Dandy and The Beano Sprucing up Desperate Dan at 50

DESPERATE DAN, the roughest, toughest cowboy in Cactusville, is to be given a facelift at the age of 50. He will still shave with a blow-lamp and eat cow-pie, but from early next year his antics will be printed by gravure rather than the present somewhat smudgy letterpress.

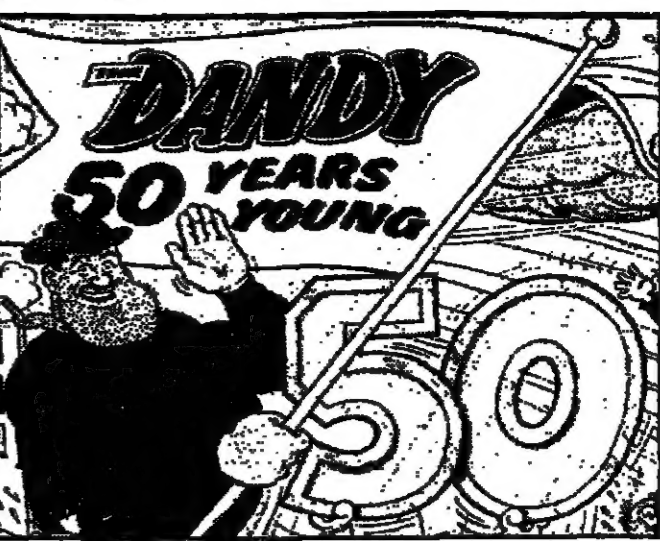
As Dan, who appeared in the first issue of The Dandy on December 4, 1937, would say: "Sufferin' catfish! I don't believe it."

D.C. Thomson, the Dundee-based publisher of The Dandy, which celebrates its 50th anniversary next week, followed by The Beano in July, has decided it is time to improve the quality of the colour printing.

Nothing pricier like shiny-coated paper, of course. "We don't want The Dandy to look extraordinarily different. We don't want to stray too far from its present tactile feel. And we are not going to in any way change the content," promised Mr Christopher Thomson, one of the many Thomson sons involved in the running of the company which is as famous for not allowing trade unions across the threshold since the 1926 General Strike as for its comics.

Those who were not forced to read The Eagle, (current proprietor Capt'n Bob Maxwell) because it appeared so much more respectable to parents than the anarchic Dandy, will find a very familiar world of humour in next week's anniversary issue.

As well as Desperate Dan, Korky the Cat has made it uncharted across the years although now Korky has help from nephews Nip, Lip and Rrip and after 47 years on the front cover he had to make way for



The rough, tough cowboy from Cactusville rides on

Dan three years ago.

Corporal Clott, the world's worst soldier, has been marching on for 25 years but Kayhole Kate, the only girl character in the original Dandy, ran out of keyholes in 1965 and Black Bob, the champion speedster who rounded up crooks smugglers and spies, retired in 1982.

The Beano, which sells about twice as many copies as The Dandy, has changed even less. Dennis the Menace and Gnasher are still in full flight. That tribute to the British class system, Lord Snooty, still wears his top hat although The Bash Street Kids now seem tame compared with the real blackboard jungle.

Yet the fate that has befallen Desperate Dan and Dennis the

Menace is no joking matter. The circulation figures for general comics have become smaller and smaller in the age of television and video.

According to Mr Thomson, Dandy and Beano reached their peaks at about 2m each in the late 1950s. D.C. Thomson declines to reveal precise circulation figures but the combined total is believed to be slightly more than 400,000, with the main strength in Scotland and Northern Ireland and, surprisingly perhaps, south-west England.

Mr Bill Rowe, marketing manager of W.H. Smith wholesale division, said yesterday: "The general segment of the comic market is showing a marked

decline. Over the past couple of years it's probably dropped between 20 and 30 per cent."

Continuously for D.C. Thomson the one area of the market showing real growth is comics based on television or toy character merchandising, such as Transformers.

For Mr Morris Heggie from Perth only Desperate Dan will do.

Mr Heggie, who read every comic he could get his hands on as a child, including The Beano and Dandy, began at D.C. Thomson as a copy boy, and was the scriptwriter for Lord Snooty for seven years before reaching the dizzy heights of editor of The Dandy nearly 20 years ago.

Everybody, he believes, could write a couple of scripts for The Dandy. The real knack is being able to produce them year in year out and many of the situations portrayed are based on observation.

He once watched his young daughters fill up a paddling pool with icy water and then persuade friends to jump in.

It was turned into an adventure for The Dandy's terrible twins Cuddles and Dimples.

"I love the job. To me those characters are very real and I wouldn't want to leave them," said Mr Heggie, who is 37.

Meanwhile Mr Thomson is planning a Desperate Dan couple party for next year and an increased television advertising budget to persuade more children of all ages to buy the new gravure-printed Dandy.

Early copies of the Dandy and Beano have become collectors' items. A first edition of The Dandy, price 2d once, is said to be worth \$850.

Thatcher to meet Gorbachev at air base

By John Hunt

THE TALKS between Prime Minister Margaret Thatcher, the Prime Minister, and Mr Mikhail Gorbachev, the Soviet leader, will be limited to a few hours at RAF Brize Norton in Oxfordshire when the Soviet leader breaks his journey in Britain on December 7 on his way to the US-Soviet summit in Washington.

The participants will not leave the air base during the talks which may be shorter than the three to four hours originally hoped for.

Mr Edward Shevardnadze, Soviet Foreign Minister, who will accompany Mr Gorbachev, will have simultaneous talks with Sir Geoffrey Howe, Foreign Secretary. The subjects for discussion will include the intermediate nuclear force treaty concluded between the US and the Soviet Union, East-West relations generally and the Gulf situation.

The Government is hoping that the stopover does not prejudice the possibility of a longer visit to Britain by Mr Gorbachev at a later date.

In a speech yesterday Mr Gerald Kaufman, shadow Foreign Secretary, claimed that the INF treaty and the pressure for further nuclear disarmament was an endorsement of Labour's non-nuclear defence policy.

"Reagan and Gorbachev, like Labour, are now nuclear disarmers," he said. "Mrs Thatcher is now a unilateralist nuclear armistice."

He said Labour had led the world in arguing for nuclear weapons reductions.

Call to end north-south divisions

By Ralph Atkins

HIGH-SPEED rail links to and from London and Manchester airport are proposed in a plan to heal the north-south divide published yesterday.

The Town and Country Planning Association says the concentration of economic muscle in the south of England must be reversed and the north given greater independence if the growing divide is to be reduced.

The association, which lobbies for better planning and development, has a membership including local planning officers, businessmen and academics.

The plan, launched simultaneously in London and Manchester, sets out measures to encourage company head offices to move north and to break companies into smaller units.

Mr David Hall, director of the association, said: "We don't want just more jobs in the north, we want the right type of jobs - in the growth sectors of the economy, and a broader range of opportunities for people who live there."

Measures suggested to combat the divide included: • Boosting Manchester airport to international status. The proposed merger between British Airways and British Caledonian should be opposed unless the combined group agrees to operate a full range of international flights from the city.

• Updating rail links to take advantage of the Channel Tunnel. The association proposes the introduction of a high-speed train allowing passengers to travel between Manchester and Paris in 4½ hours.

• Government encouragement for rapid transit systems. "Of particular value as a contribution to economic regeneration."

• Strengthening the powers of the Monopolies and Mergers Commission as a contribution to economic regeneration.

• The association says central government should recognise the need for strategic regional planning and take steps to counter the flow of skilled workers to the south.

North-South Divide. Planning Bookshop, 17 Carlton Terrace, London, SW1Y 5AS. £5.95 plus 50p p&hp.

Construction orders reach record level

CONSTRUCTION orders, already at their highest level since the early 1970s, increased further during the three months to the end of September, Environment Department statistics show.

Orders, excluding the Channel Tunnel contract, were 15 per cent higher than in the previous three months and 22 per cent higher than during the same quarter of last year.

Including the tunnel, orders were 40 per cent higher than in the previous quarter and 47 per cent above a year ago.

THE SURE WAY TO THE CITY

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There is an initial charge of 5% plus a rounding charge of not more than 0.01p. All investment costs are borne by the fund and are reflected in the calculation of the unit price. There is a monthly management charge of one 12th of 1% of the fund's assets. Charges may be varied at the Company's discretion.

Tundra Gold Mines Ltd.
In our advertisement of November 7 an error was made in the second sentence; this should have read: "Over a 50 year period the Laramie Mine produced 2 million tons of ore averaging .17 carats gold."

UK NEWS

Haslam attacks CEBG's coal prices 'fallacy'

By Maurice Samuelson

SIR ROBERT HASLAM, British Coal chairman, last night entered the debate about the electricity industry by accusing it of perpetrating a "fallacy" over coal prices.

He said: "We keep hearing suggestions that the British electricity industry could save £750m a year if it were 'free' to switch to imported coal in a big way."

"It has recently been repeated often that it is in danger of becoming an established fact. It is not true."

Sir Robert's remarks were aimed mainly at the Central Electricity Generating Board, which is also embroiled in rows with other parts of the electricity industry over its ownership of the National Grid.

On Thursday, Mr Cecil Parkinson accused the board of scheming by raising the spectre of power cuts if the grid were removed from its control after privatisation.

The dispute on coal was provoked earlier in the week by Mr Graham Hadley, CEBG's secretary, who said the benefits of privatising electricity lay in the freedom of purchasing, especially the freedom to buy coal on world markets, which would save up to £750m a year.

On Thursday, the CEBG said it intended to build a terminal on the Solent, on the south coast of England, capable of unloading 8m tonnes of coal a year from ocean-going vessels, a tenth of its current annual consumption.

British Coal's chairman hit back last night when he told Sheffield business people that the CEBG's £750m savings claim was not valid either in the short or long term.

"It has been a principle of our

understanding with the electricity industry that to the extent we can import coal from overseas without a large and lengthy investment in new facilities, we will match the delivered price of foreign coal."

"We are continuing to do this and therefore the electricity industry and the consumer are losing nothing in the short term."

In the longer term the argument was even less valid, because the very low current international prices were not sustainable, he said.

The present low international price reflected the gross over investment in developing new mines dedicated to long-haul seaborne trade after the 1973 oil price increases.

But few of those investments were paying off. Coal mines were closing in Europe, Japan, and Australia.

The CEBG, while claiming it did not seek a confrontation with British Coal, last night stood by its £750m figure. "If we could start again and have a new agreement with the coal industry we would look for savings of that order."

It was referring to the joint understanding under which it pledged to purchase 95 per cent of its coal from British Coal, as long as prices do not rise faster than inflation and an increasing proportion is aligned to world prices.

However, the CEBG acknowledged that the £750m comparison is weakened by the lack of British deep ports for switching mainly to imports. "At the end of the day we prefer to buy British coal," the CEBG said.

Housing corporation plans to raise £2bn

By Andrew Taylor

THE HOUSING Finance Corporation, an independent investment body established to raise private finance for voluntary housing associations, is expected to make its first issue next week. The corporation plans to raise up to £2bn over the next three years.

The first issue, a package of stocks which could include a zero coupon bond, is likely to be modest, £25m to £50m. A larger issue, of about £100m, is expected early next year.

Housing associations, under proposals in the Housing Bill published this month, will be required to raise an increasing proportion of their funds from the private sector.

The associations provide subsidised rented housing for a wide range of disadvantaged people, including those who cannot afford to buy their own homes, the elderly and disabled. Previously they have been almost totally dependent on government grants for funds.

The bill proposes to encourage private investment in housing by removing letting restrictions and permitting rents to rise, allowing investors to get a satisfactory return on their money.

This week Nationwide Anglia, Britain's third largest building society, announced it was planning to lend up to £600m to a joint venture company it is establishing to invest in private rented housing. The money is to be spent over five years.

The Housing Finance Corporation was launched this month by James Capel, the stockbroker, and Dr John Evans, managing director of the Chartered Institute of Public Finance and Accountancy. It is sponsored by the Housing Corporation which administers more than 2,500 housing associations and by the National Federation of Housing Associations.

The scheme, which the Government hopes will play a leading part in its plans to attract greater private investment in rented housing, may be particularly suited to smaller associations which lack the expertise and do not have the track record to raise private funds in their own right.

The first issue of stocks by the investment body, which is headed by David Hopkinson, retired chief executive of M & G, the unit trust group, is expected to be for a package of up to seven or eight separate housing association schemes, ranging in size from £250,000 to £10m.

Mr Graham Axford, James Capel's corporate finance director, who is advising the corporation, said several large associations were separately considering issuing bonds in their own name.

London Life to explain cut in terminal bonus
By Eric Short
LONDON LIFE Association, the second oldest mutual life company in the world, is contacting all policyholders to explain its recent decision to cut terminal bonus rates, staffing levels and new business growth.

In a letter sent yesterday from Mr Oliver Dawson, the chairman, and Dr John Evans, managing director, policyholders are told some of the reasons on the company's position were ambiguous.

The letter gives the reasons for the proposed cut in terminal bonuses which comes into effect next week. London Life increased the bonuses in June to reflect the benefit of the prolonged rise in equity markets.

The proposed cut reflects the October fall, the net effect being to reduce payouts by about 10 per cent.

The letter emphasises that all guaranteed benefits under the policyholders' bonuses declared in the past are unaffected and that the current reversionary bonus rate is unchanged. The reversionary bonus rate will be reviewed in March to April in the usual manner.

A warning is given that, although it is too early to predict the outcome of the review, a continuing fall in equity market interest rates would inevitably lead to a fall in reversionary bonus rates, not only for London Life but for many other life companies.

London Life, the letter explains, has a conventional distribution of assets for its life funds. Nevertheless, the company's capital base was reduced and it was felt prudent to plan for a lower level of new business.

Harland and Wolff losses to double
By Kevin Brown
HARLAND AND WOLFF, the state-owned Belfast shipyard, is expected to announce operating losses of just under £58m next week, compared with £28.8m last year.

The loss is believed to include more than £25m to cover the cost of 1,800 redundancies between January and September, which reduced the yard's workforce to 4,000, compared with 6,000 in 1985.

In addition, Harland has faced unexpected losses on the conversion of a commercial container ship for an aviation training role with the Royal Navy, and on a sophisticated drilling ship for

British Petroleum. The company is believed to be claiming more than £10m from the Defence Ministry to cover extra costs on the aviation training ship, some of which are said to result from design changes insisted on by the Navy.

The BP ship is understood to have been delayed by late delivery of an essential main switchboard by a sub-contractor, leading to a change in the construction schedule.

In common with other European shipyards, Harland has switched its marketing efforts towards more sophisticated ships over the last three years to avoid

direct competition with low-cost yards in the Far East. The company has invested heavily in computer-based design and planning systems, high-technology construction equipment, and trained staff, but has been unable to win any new orders.

Harland is believed to be discussing an order for a large cruise ship, and is pursuing further MoD contracts, including steelwork in connection with the modernisation of the Royal Naval Armaments Depot at Coulport, in Scotland.

At least one major order will be required in the coming year if the yard is to avoid further redundancies, which could reduce the workforce to around 2,500.

Meanwhile, Harland is expected to point to its improving record in relation to British Shipbuilders, the other major nationalised shipbuilder, as a justification for continued government support. BS lost £18m at the trading level last year.

Like other shipbuilders, Harland hopes for a big increase in demand from 1990 onwards, when a large part of the world fleet will need to be replaced.

If the forecast boom happens, capacity cuts in Europe and Japan should help to raise prices to profitable levels.

Philip Coggan analyses Robert Maxwell's links with Elton John's Watford

Football League re-examines its defences

BRYAN ROBSON soars majestically to meet the winger's cross and heads it accurately towards goal. It is caught neatly, not by the keeper but by a ballboy, who confiscates it and marches swiftly off the pitch, shouting "Sorry lads, but the High Court decided against you this morning."

The scene may be every football club director's nightmare, but not necessarily as far-fetched as it sounds. After all, earlier this year, a report produced by Jordans, a research company, found that 80 out of 92 football clubs were technically insolvent.

Last week's sale of Watford by pop singer Elton John to publisher Mr Robert Maxwell's BPGC threw the problem into sharp relief. It left Mr Maxwell with rather more associations with association football than the game's establishment was willing to tolerate.

Officially, Mr Maxwell's only position in football management is as chairman of Derby County. But Mr John Holloran, chief executive of BPGC, the private subsidiary of Maxwell Communications Corporation, is the new chairman of Watford, and Mr Maxwell's son Kevin is chairman of Oxford United.

On Thursday, the Football League management committee said that it did not think it "desirable for any individual or organisation, either directly or through nominees, to be in a position to appear to be in a position to influence the management or administration of more than one club."

Mr Maxwell and BPGC are pressing ahead regardless, and the league looks likely to call all the club chairmen together to examine the regulations again. But soccer cannot afford to drive too many investors away.

Mr Jimmy Hill, the television commentator who stepped in to save his old club Fulham earlier this year, says: "Someone has to put resources in to keep the clubs alive, and there's a limited number of businessmen who are prepared to do so."

Mr Hill has already found that those businessmen who do become involved do not always have purely footballing interests in mind. He came to Fulham to rescue the club from Marler Estates' plan to develop the Craven Cottage ground as luxury flats and merge the team with its neighbour Queens Park Rangers.

Ironically, in his earlier days as a player, Jimmy Hill was responsible for creating part of today's problems by successfully negotiating the abolition of the maximum wage. Although advertising, sponsorship and television revenues have increased since then, rivalry between clubs has caused soccer crowds to drift away.

The last few years have seen a series of clubs drift close to bankruptcy - with the costs of improving safety after the Bradford fire tragedy proving an additional burden. Even normally cautious businessmen face overwhelming temptations to spend money when they take charge of football clubs. Mr Hill says: "The crowd puts a lot of pressure on the players, managers and directors, and they make the directors ambitious to succeed. Ambition means expensive transfer fees and high wages for the best players."

Although Mr Maxwell is not alone in owning shares in more than one club - Sir John Moores, the Littlewoods founder, and his family have interests in both Liverpool and Everton - football



Football league rules come between seller and buyer

needs as broad a spread of interested businessmen as possible if it is to survive in its present form.

One way forward, believes Mr Paul White of Hanover Druce, the consultancy firm which brought Elton John and Mr Maxwell together, is for large corporations to put money into clubs. The obvious foreign example is Fiat's ownership of the Italian side Juventus, and BPGC is one of the largest employers in Watford.

But perhaps investing in football will only turn from philanthropy into sound business if the crowds return. Although attendance is 25 per cent higher this year, they are still below the breakeven level for many clubs. Improvements are needed on the pitch as well as off it.

Mr Hill suggests: "The answer is in the pattern of the game. People used to come and enjoy the game itself - now the pressure for success often means that the only thing they can enjoy is the result. If there could be more goalmouth incidents, games would be more entertaining and crowds would return."

A few fans on the terraces might say Amen to that.

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Firm stand urged on Murdoch and FT

By Tom Lynch

A SENIOR Tory backbencher yesterday joined Labour and Liberal spokesmen in demanding that the Government should state explicitly that it would oppose any bid by Mr Rupert Murdoch's News Corporation for the Financial Times.

Mr Jonathan Aitken (Thames Valley), a former Fleet Street journalist, referred during a debate on press freedom to speculation that Mr Murdoch had increased his 14.7 per cent stake in Pearson, the FT's owner, in the last few months.

If Mr Murdoch bought the FT it would represent "an unacceptable concentration of economic and editorial power. I do hope Government will take action."

He dismissed as "an ambiguous piece of waffle" an assurance to the Commons by Mr Kenneth Clarke, Chancellor of the Duchy of Lancaster, on Wednesday that the Fair Trading Act would apply "as it was intended to be applied" in the event of any bid.

When Mr John Renton, Home Office Minister for the Media, reminded him that Mr Clarke had also said he would "have a duty to address the act" if there was an attempt by any politician to acquire the paper, Mr Aitken said: "That is not quite crystal clear, but I welcome the note of hope you have introduced into the debate."

Lord Oxborough (Leamington), who is sponsored by the general print union Sogat, urged the Government to "get away from these nuances" and Mr Malcolm Bruce, Liberal trade and industry spokesman, challenged Mr Renton when he repeated the Government's assertion that any takeover of the FT must, by law, be referred to the Monopolies Commission while the paper continued to be profitable.

Mr Bruce said Lord Young, Trade and Industry Secretary, would still have the final say and demanded a Government statement that such a takeover would be unacceptable.

Mr Renton said it was not possible to state a categorical position in any hypothetical case. He assured MPs that Mr

Clarke's statement "was very carefully considered."

Some Tory backbenchers denied that monopoly power was a problem in the industry and Mr David Shaw (Dover) said successful proprietors such as News International had captured the mood of the British people, who wanted to get away from stories knocking Britain.

Mr Aitken was among several Tory MPs who voiced concern about the "hounding" of members of the royal family and warned the tabloid newspapers that they would have to improve their standards if they were to head off pressure for Government intervention in the form of a statutory right of reply to false and damaging statements.

Editor calls Spycatcher ban 'intolerable'

FINANCIAL TIMES REPORTER

THE COURT BAN on press reporting of Spycatcher, the memoirs of Mr Peter Wright, the former MI5 officer, was an intolerable restraint on the public's right to know, Mr Donald Treford, editor of The Observer, told the High Court yesterday.

"It cannot be that reporting on Spycatcher is a matter of public interest which could cause any further damage to the cat's paw and truly out of the bag," he said.

Mr Treford was giving evidence before the Justice Committee, which is considering the Government's action for a permanent ban on reporting of material from the book, which has already sold one million copies worldwide.

The editor accused the Government of trying to bully newspapers. "It is an important part of the function of the press in a free society to check on abuses of power," he said.

"I would not exclude the security services from such debate and scrutiny if sufficiently serious abuses came to light, as is the case following publication of Mr Wright's allegations, especially where (as in this case) the suspicion must arise that action is being taken against the press to hush the matter up and save the Government embarrassment."

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UK NEWS - LABOUR

Big majority for merger likely

BY PHILIP BASSETT, LABOUR EDITOR

EARLY SOUNDINGS among union members voting on the merger of the white-collar Tass and ASTMS unions are showing a large majority in favour of the move.

Initial voting returns from the ballot of the two unions' combined membership of 630,000 are said to be running at about five to one in favour of the proposal. Such a result, if confirmed, would secure the future of the merged union, called Manufacturing, Science and Finance.

Voting in the two unions closes next week and the result is due to be declared on December 7.

A substantial vote in favour of the amalgamation by such a large margin would be welcomed by the leaderships of the two unions, which have campaigned heavily in favour of the merger.

It would create one of Europe's largest unions, and both Mr Ken Gill and Mr Clive Jenkins, general secretaries of Tass and ASTMS respectively, believe it would draw in other unions for further mergers.

The two unions have been making a joint approach to a large number of other unions, offering talks on future working relationships, and promoting the advantages of the economies of scale offered by the new merged union.

Because of what they see as political differences between the memberships and leaderships of Tass and ASTMS, right-wing trade unions have been strongly opposed to the merger.

However, even union leaders on the right now acknowledge

that the merger will go ahead, and are likely to start to concentrate their efforts in trying to prevent any further unions joining the venture.

MSF will offer a considerable industrial logic and coherence, since many members of its two constituent unions work in overlapping areas and occupations.

The formation of the merged union may also affect company bargaining structures, with the prospect of employees of much more simplified bargaining, based on the single MSF union.

John Gapper reports on the implications of the TV-am dispute

Union case slips down the ratings

"RATS" declares the tabloid newspaper headline pinned to board outside TV-am's headquarters in Camden, North London. In a motor caravan parked near by, Mr Tim Wright is resigned to having an image problem.

The public relations battle is a no-hoper for us. We might as well forget it," he reflects gloomily. Mr Wright, ACTT technicians' union shop steward at TV-am, is becoming used to criticism of his 229 members from various quarters.

Wherever they look television staff are in trouble. For some newspapers, it is enough that the locked-out TV-am technicians have well-paid jobs, have disrupted a Christmas campaign and have removed Anne Diamond from the airwaves.

But disapproval extends beyond the media. The Prime Minister has called television the last bastion of restrictive working practices, and the Home Office is trying to force ITV companies to change the ways of their workers.

The political pressure is having its effect, according to Mr Wright. He says: "Bruce Gynessell (TV-am's managing director) is obsessed with the franchise. He talks about it all the time, and he seems to think he has to kick us in the teeth to keep it."

Harsh words are not the only outlet for the Government's frustrations. It intends to shake up the industry by introducing competition - offering 25 per cent access to the network for independent producers, and opening the way for satellite and cable

television. The dismissal of 34 striking technicians at Tyne Tees and the locked-out by TV-am of 229 technicians indicates a new willingness by ITV companies to pump for the devil of industrial confrontation rather than sticking with the deep blue sea of compromise.

Members of the Beta clerical and studio staff union television.

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Members of the Beta clerical and studio staff union television.

met at Tyne Tees where 34 technicians have been dismissed by the company for going on strike in protest at the sacking of three colleagues for not working normally.

Members of the ACTT technicians union are battling on whether to work normally if managers operate lights in a studio in place of technicians from whom they will regard a refusal to work normally as industrial action.

These included multiplying penalty payments to staff when fixed meal and shift breaks were not observed, and "golden hour" clauses, under which night-time work attracted payments of up to five times the basic rate.

Thirty years later, some ITV companies argue that production requirements have changed so much that the agreement is badly out-of-date. Tyne Tees and London Weekend Television have signalled that they would like to pull out.

But they say that the blame for excessive staffing costs lies more with the local deals which have been built on top of the national agreement. These deals - described by one senior executive as "embroidery" - fix crewing levels.

The irony is that neither Tyne Tees nor TV-am is the most obvious

company for a show-down with unions on working practices. The ones seen as suffering most from the proliferation of local deals are the "big five" - Thames, LWT, Central, Yorkshire and Granada.

That may not matter any more as the twin disputes enter their second week and take on an increasing symbolic significance. Mr David Davidovitz, director of operations at TV-am, says: "It may well be that other people will look at us and say: 'They are taking it on the chin, why don't we?'"

Tyne Tees is also conscious of the wider implications of its dispute. The company presented a paper to staff unions earlier this year which argued that "our staff costs are too high - despite being amongst the lowest in ITV."

It concluded that there were "dark choices ahead." One of the sturdiest will come on Monday if ACTT technicians and Beta staff decide not to work with managers who turn on studio lights in place of the dismissed technicians.

Tyne Tees has said it will consider sacking them in turn, leaving only its journalists still at work. The company has already warned that it will not take them back if they agree to broad changes in working practices.

On the TV-am picket line, the technicians fear too that they are getting caught up in a larger struggle. Mr Wright views the prospect disconsolately: "God, I hope not," he says.

Post talks may pave way to settlement

By Jimmy Burns, Labour Staff

THE PROSPECT that Christmas mail might be seriously disrupted by industrial action receded yesterday following talks between union leaders and the Post Office.

Mr Alan Tuffin, general secretary of the Union of Communications Workers, said after his first personal intervention in his union's two weeks of talks with the Post Office both sides had made concessions.

Mr Tuffin said he believed yesterday's talks could have paved the way for a settlement next week. "I think an agreement is now in front of us," he added.

The Post Office said it believed there was now a "willingness on both sides" to reach an agreement by Tuesday when the UCU is due to decide whether the proposed industrial action goes ahead.

Mr Tuffin had earlier issued the Post Office with the Tuesday deadline, warning that his colleagues were showing increasing frustration with the apparent lack of any substantial progress.

The talks, which are expected to continue during the weekend, stage would be preparing a package of efficiency improvements and measures to improve quality of service which could pave the way for a cut in the working week.

Mr Tuffin said yesterday that the Post Office had indicated for the first time that there could be circumstances where in principle the postmen's demands for a reduction in their working week.

TNT staff vote to settle

ABOUT 5,000 drivers employed by TNT, the Australian freight transport group, voted yesterday by a 2-1 majority to accept a revised pack and conditions package.

The drivers, all members of the TGWU transport union, had earlier this month threatened to stage a national strike. But union leaders said yesterday that the company had agreed to substantially improve holiday entitlement and other allowances.

APPOINTMENTS

A.G. Stanley reorganises

A.G. STANLEY has reorganised its senior management. Mr Roger Regan, group managing director, will head the products division, including Fine Art Wallcoverings and Ripolin Paints.

Mr Peter Wood, main board director, will be responsible for the retail division, covering nearly 400 FADS and Decor 8 stores. Mr Don Brown, main board director, will direct the central services division.

Mr Peter Kirby has been promoted from FADS northern divisional director to managing director of FADS. Mr Mel Friesley, Decor 8 northern regional manager, is promoted to managing director.

Mr Pat Barzani, director and group accountant, becomes director and group chief accountant, central services. Mr John Bernard, FADS southern divisional director, is appointed director of FADS. Mr John Noble, copy manager of Jacco, becomes group property director.

Mr Harry Adams, formerly buying director of FADS, takes a new post as director of distribution and Ripolin Paints. Mr Harry Morgan continues as managing director of Fine Art Wallcoverings.

Mr Colin McKenzie has been appointed to the board as group commercial director of MAY-CLARK AND SONS (HOLDINGS). He will assume main board responsibility for I.H. Baker Wines and Spirits Pty. Matthew Clark's Australian subsidiary. He remains group distribution director and director of The Sealark Transport Co.

Mr Alan Thompson, chief executive of MORNINGTON BUILDING SOCIETY, has been appointed to the board.

STANDARD CHARTERED has appointed Mr R. Altringham as general manager with responsibility for credit control. He was controller, international banking division.

Following the merger of Goodman Fielder, Australia, and Watte Industries, New Zealand, to form a new company GOODMAN FIELDER WATTE, former Watte chief executive Mr Cliff Lyon has been appointed London-based chairman of Goodman Fielder Watte PLC, the UK subsidiary. Mr Noel Robertson becomes director of the company. Mr John Graham, former Watte chairman, also joins the main board. Mr Don Budden and Mr John Graham, in addition to senior Goodman Fielder executives Mr John Kenworthy, also join the main board. From February 1 the company will be grouped into ten autonomous business groups.

SRI INTERNATIONAL, formerly Stanford Research Institute, has appointed Mr Peter Farror as director, public relations and marketing services at its European headquarters in Croydon. He was client services director for Lonsdale Allen, Bath.

The general manager of LEE VALLEY WATER COMPANY, Mr James F. McGowan, has been appointed a director. He became general manager and company secretary in 1984.

The council of the INSTITUTE OF CHARTERED ACCOUNTANTS OF SCOTLAND has nominated

Mr J.P. (Ian) Percy for election as junior vice-president to take office on April 8. The current junior vice-president, Mr Gordon S. Lowden, and the senior vice-president, Mr Frank F. Kidd, will, subject to election, become senior vice-president and president respectively for 1988/89. Mr Percy is London group managing partner of Grant Thornton.

Ms Clare Whitley has been appointed group treasurer of UNIGATE from December 31. She was vice-president - finance at Unigate Inc.

Contracts

Digital dealer system

The Bank of New Zealand has ordered a dealer system for its Auckland and Wellington offices from BISHOPS GATE INFORMATION SERVICES. The order, worth \$1.2m, is for what is believed to be the largest digital dealer system yet to be installed in Australia and New Zealand.

The system is to be installed and operational in the bank's financial markets division by the first quarter of next year. The majority of positions will be installed at its Wellington headquarters with the balance at its Auckland office, which deals with the domestic money market.

Using Broadcast's broadcast technology, data is continually distributed throughout the system and can be retrieved in a subsecond without any degradation in response at times of peak demand. With a digital data feed, the system makes it easy for dealers to configure and reform information on screen and requires considerably less cabling than conventional video systems.

Cabling between the information services and workstations is also reduced to a minimum by the use of an Ethernet LAN between servers and transmitters. Bishopsgate's Broadcast interface connects each transmitter to its group of workstations.



V. & E. BUXTON has signed an agreement with Marubeni UK Development, part of the Japanese Marubeni Corporation, for a joint luxury housing venture at Highgate Village, north London. The 4.5m development, to be called Marlborough Meadows, is aimed at the upper end of the property market, and will include a swimming pool, sauna and recreation area. Houses will sell for up to \$315,000 each and flats for up to \$195,000. Work has started on the site at Stanhope Road. The eight four-bedroom houses, and eight two-bedroom flats will be of traditional construction. An existing house on the site will be converted to two two-bedroom flats. Properties will be available for sale from the spring. The scheme was originated by Buxton Homes and will be carried out as a design and build contract by Buxton Building Contractors.

Record overtime leads to 8% earnings rise

THE underlying rise in the level of earnings to December is likely to be 8 per cent, reflecting a record level of overtime, according to a background report by Greenwell Montagu Research.

The report suggests that there could be further rises in the underlying level of earnings growth in subsequent months. It points out that, in the six

months ending September 1987, an average of 12.6 hours per week overtime were worked compared to a figure of 11.9 for the previous six months.

It says that the stock market crash is unlikely to depress pay increases, taking into account the background of the continued buoyancy of British industry evident from recent CBI surveys.

Scottish teachers vote for political fund

BY JIMMY BURNS

THE Educational Institute of Scotland, the union representing the majority of Scottish teachers outside universities, yesterday became the first teachers' union in the UK to vote in support of setting up a political fund.

Mr John Pollock, the EIS's general secretary, said the initiative was of "enormous significance" to teachers throughout the UK and would encourage other white-collar unions to do the same.

However, there was no immediate indication that any of Britain's other major teacher unions sees a necessity to adopt a similar strategy to press its claims against the Government.

The EIS decision to set up a political fund will in practice allow it under current legislation to finance more directly its campaigns against the Government's

policies, particularly on education. Mr Pollock, whose is a member of the Labour Party and former chairman of the TUC, said his union had accepted that it would take Scottish teachers towards a formal alliance with parties opposed to the Government.

He indicated that he did not believe the circumstances were ripe for uncompromising industrial action. "We're not sure where to go from here because we don't know how many members are prepared to give us support...just to take industrial action will not be successful," Mr Ellis said.

Mr Norman Fowler, the Secretary of State for Employment, described yesterday's action as "totally unacceptable." He said the Government was committed to the major TFS provisions nationwide.

The strike was adhered to by just over 8,000 of the CPSA's 30,000 member section within the DOE. The strikers claimed that YTS was a "cheap labour scheme" that was being used to replace jobs inside the Civil Service.

Only partial backing for Job Centres strike

BY JIMMY BURNS

A ONE-DAY national protest strike against the Government's Youth Training Scheme by members of the CPSA civil servants' union yesterday closed a majority of unemployment benefit offices and Job Centres in Scotland and north west England but had limited repercussions in the rest of the UK.

The CPSA publicly described the strike as a "promising start to a campaign that is bound to be of long duration."

Privately however some officials of the union said the official support for the strike, and its virtual failure in London and the south east represented a political defeat for the hard-left majority on the CPSA executive dominated by Mr John Macredie, the assistant general secretary.

Earlier yesterday Mr John Ellis, the CPSA's general secretary, who is politically opposed to Mr Macredie, urged a membership rally in London to opt

for moderation and not to rule out further negotiations with the Government.

He indicated that he did not believe the circumstances were ripe for uncompromising industrial action. "We're not sure where to go from here because we don't know how many members are prepared to give us support...just to take industrial action will not be successful," Mr Ellis said.

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Ladbroke 'rejects ballot'

BY OUR LABOUR STAFF

THE TGWU transport union said yesterday that Ladbroke Group had declined its challenge to allow a staff ballot to determine whether to accept a new contract.

ACTSS, the TGWU's white-collar section, had offered publicly to drop its campaign to organise workers in Ladbroke's betting shops if a ballot showed lack of support.

However, the union said yesterday that Ladbroke had responded against the initiative. As a result, ACTSS had reiterated that it had "every intention of pressing the matter to a final conclusion."

Mr Brian Cox, TGWU Nelson officer, said Ladbroke staff had been enthusiastic about the ballot idea.

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Legal Notices

IN THE HIGH COURT OF JUSTICE

CHANCERY DIVISION

IN THE MATTER OF LEYLAND DAF LIMITED

-and-

IN THE MATTER OF THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that a Petition was on the 24th November 1987 presented to Her Majesty's High Court of Justice for the confirmation of the reduction of the share capital of the Company from £990,000.00 to £236,477.07.

AND NOTICE IS FURTHER GIVEN that the said Petition is directed to be heard before the Hon. Mr. Justice Peter Gibson at the Royal Courts of Justice, Strand, London, W.C.2A 2LL, on Monday the 7th day of December 1987.

ANY creditor or shareholder of the said Company desiring to oppose the making of an Order for the confirmation of the reduction of the capital should appear at the time of hearing in person or by Counsel for that purpose.

A copy of the said Petition will be furnished to any such person requiring the same by the registered clerk for the same.

Dated this 25th day of November 1987

Clifford Chance,
Shareholders' Agents,
19 New Bridge Street,
LONDON EC4V 6BY

Ref: RWC

Solicitors for the Company

IN THE HIGH COURT OF JUSTICE

CHANCERY DIVISION

No. 004993 of 1987

IN THE MATTER OF UFF GROUP PLC AND

IN THE MATTER OF THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that a Petition was on the 24th November 1987 presented to Her Majesty's High Court of Justice for the confirmation of the cancellation of the Share Premium Account of the said Company amounting to £211,000.00.

AND NOTICE IS FURTHER GIVEN that the said Petition is directed to be heard before the Hon. Mr. Justice Peter Gibson at the Royal Courts of Justice, Strand, London, W.C.2A 2LL, on Monday the 7th day of December 1987.

ANY creditor or shareholder of the said Company desiring to oppose the making of an Order of the confirmation of the cancellation of the Share Premium Account should appear at the time of hearing in person or by Counsel for that purpose.

A copy of the said Petition will be furnished to any such person requiring the same by the registered clerk for the same.

Dated this 25th day of November 1987

Calderbank,
9-10 St. Paul's Street,
London

WIGLEY 2EY

Tel: 01-4793

Solicitors for the above named Company

CHARTERHOUSE BANK LIMITED MORTGAGE RATE

Charterhouse Bank Limited announces that with effect from 1st December 1987 the Charterhouse Bank Limited Mortgage Rate will be reduced to 10.25% per annum.



A MEMBER OF THE ROYAL BANK OF SCOTLAND GROUP

Personal

"Oh What a Jolly Thing to Be"

A babe announced in the FT Charlotte Lucy Jennifer McGowan born in the Royal Free on Friday 30 October.

Marian is mum, Michael father, Judith, Timothy, Alice, Giselle are all

frightfully pleased as well.

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Signature.....

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FINANCIAL TIMES

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Saturday November 28 1987

Exchange rate confusion

How many exchange rate policies does the Government have? More than one, it would appear from remarks of the Prime Minister and the Chancellor of the Exchequer, whose differences of emphasis suggest important differences in underlying approach.

In her interview with the Financial Times published on Monday, the Prime Minister not only rejected membership of the exchange rate mechanism of the EMS, but denied that there was a commitment to a specific range against the D-Mark. It is one thing to run your exchange rate near to a particular band for a while, she noted, but "everyone knows that you are not constrained by that band and you can come off it today or tomorrow if you wish."

By way of contrast, in his speech at the Mansion House on 4 November 1987, the Chancellor remarked that there should be no "doubt of our commitment to maintain a stable exchange rate, with the rate against the Deutschmark being of particular importance." But what is the value of a "commitment" that one can abandon "today or tomorrow"?

There are two quite distinct arguments for managing exchange rates. One is that a firmly fixed exchange rate can give a nominal anchor for the economy. The second is simply for exchange rate management. The rate is adjusted, as required, to ensure consistency with important nominal prices. The role of the authorities is to reduce unnecessary instability in the real exchange rate by speculating against destabilising speculators.

Classic story

The failure to make a firm commitment gravely undermines the force of the policy. So the Prime Minister's opposition to the exchange rate mechanism of the EMS is, indeed, important. At the same time, it permits flexibility. A question raised by the discussion in the National Institute Economic Review, published this week, is whether the flexibility should be used to lower interest rates and perhaps the exchange rate further.

Throughout 1987 monetary policy has been bedevilled by the contradictory indications given by the exchange rate, on the one hand, and the growth of credit, money and GDP, on the other.

It has not been difficult to construct a classic story of monetary disequilibrium, since the rate of most monetary aggregates to nominal GDP in the UK are now at or above the levels reached in 1974. Furthermore, the expansion has been associated with rapidly rising asset prices and above trend economic growth.

both symptoms of disequilibrium. Nevertheless, the differences between the two periods look more persuasive than the similarities. It is difficult, therefore, to fault the Chancellor for avoiding a monetary policy, dictated by possibly temporary domestic monetary conditions, whose effect would have been to make sterling the strongest currency in the developed world. A monetary policy giving stability in the non-oil economy next year. The D-Mark has looked a sensible compromise.

Overall productivity

Have developments since the stock market crash changed that calculation?

The first consideration is that growth in 1987 will be about 4 per cent, while the Treasury projects 3 per cent growth in the non-oil economy next year. The National Institute expects the rate of growth to fall to 1.5 per cent in the year from the fourth quarter of 1988 but such pessimism is not unprecedented and may prove unjustified.

Second, earnings growth has inched up to 5 per cent a year while the trend growth of overall productivity is unlikely to exceed 2½ per cent, suggesting that it may be difficult to keep the rate of inflation below 5 per cent a year in the long term.

Finally, rates of interest need to be kept positive in real terms if the liquidity now in the economy is to be brought under control.

All this suggests considerable need for caution. Yet the government has a margin of manoeuvre. Real rates of interest before tax are in the 4 to 5 per cent range. The pound has appreciated since the beginning of 1987 by 9 per cent against the D-Mark. Interest differentials vis-a-vis West Germany are more than 5 per cent on short term money.

Certainly, there is little argument for maintaining sterling rates at levels that make sterling strong against the D-Mark, especially since unsterilised reserve accumulation can itself be an important source of monetary expansion. There should not be too great concern if gains against the D-Mark experienced so far this year are reversed. It may be possible for the Chancellor to make a contribution to international economic cooperation by cutting interest rates a little, though it is not surprising that he wishes to preserve his options for that occasion.

The firm exchange rate link has much to recommend it. The concept should not be abandoned just because the Prime Minister opposes it but if the Treasury continues to interpret the licence to flexibility flexibly, some confusion may even turn out to be useful.

THE SLAUGHTER of 16 unarmed people near the southern city of Bulawayo is a brutal reminder that more than seven years after Zimbabwe's battle for independence ended a different war continues, waged by bandits without a clear cause. Zimbabweans have been horrified by the murders at a cooperative farm run by lay missionaries. Most of the 16 whites killed were women and children who were hacked to death by the raiders.

Missionaries and farmers were in the front line of the guerrilla struggle which brought Mr Robert Mugabe to power in 1980, the former caught between conflicting demands of the guerrillas and the white government, the latter playing a vital role as part time members of the security forces.

The transition from Rhodesia to Zimbabwe did not, however, bring peace to the south western province of Matabeleland.

The "dissidents", as Mr Mugabe's government terms the rebels, may sometimes be motivated by revenge, as seems to be the case with the recent incident, which followed the eviction of squatters from a mission farm. More often it reflects a long-standing political feud between the Ndebele people of the province and the country's Shona majority who dominate the government of Prime Minister Robert Mugabe.

Whatever the motives, the isolated missions and farmsteads are once again in the front line. For the white farmers of the province - unlike their counterparts in the rest of the country, where peace returned - the rituals of self defence remain part of daily life, as a recent trip to Matabeleland illustrated.

Earlier this month, I visited the Kirby family on their cattle farm about 100 km (64 miles) west of the farms where the killings took place.

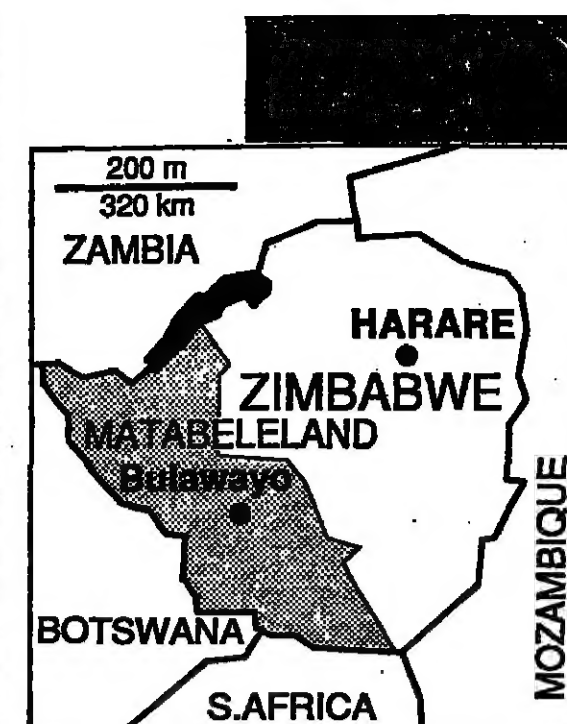
When the Kirbys have the neighbours round to their farmhouse for dinner the table is cluttered with a large selection of pistols and automatic rifles.

Mr Ted Kirby, 68, favours an Uzi submachine gun which can be manoeuvred into the confined space of a car in case of ambush. His 57-year-old wife Jean goes armed with a revolver to supervise the first milking of the cows before dawn. Millions are assigned to the farm by the authorities accompany the Kirbys wherever they go.

Their dairy farm is also threatened by one of the worst droughts in living memory. It would be an understatement to say that times are hard in this corner of Africa, for white commercial farmers and black cattle-owners alike.

Since 1982 more than 50 white farmers and members of their families (and several tourists) have been shot dead by "dissidents" in Matabeleland and the neighbouring province of Midlands. This is many more farmers than were killed in the region during the war which led to independence. The number of black Zimbabwean victims of the recent insurgency is said to be even higher.

Some whites have given up and left, or retreated to Bulawayo from where they make weekly sorties to their ranches and farms. The Kirbys have stayed, in partnership with their son-in-law and neighbour Mr Charlie Rose who married their daughter Val. They live near a farm about 70 km from Bulawayo. Morning and evening they answer the routine roll-calls on



Trapped by a shadowy war

their radios to confirm that they are still alive and unharmed. The anti-granade screens fixed to the windows in the war have never been taken down. Tanned, rugged and independent, the Kirbys live much as they always have, making their own bread and jam, doing business on the old crank-handle telephone, carrying out farm jobs from engineering to artificial insemination. The reading matter in the bathroom includes a 1969 Woman's Realm magazine, price 8d.

At night they listen to BBC radio, read books and retire early. "There's no social life left in the area. You don't go out at night," says Mr Kirby. "We've had this situation for about 10 years now, since the latter part of the war. Charlie and Val, they feel it more."

In the Rose living room, which is pockmarked with bullet holes from an unsuccessful wartime attack in 1978, the two families stand in front of a map of the neighbourhood and run through the names of friends killed or injured by gunmen in recent months and years - the Kroids, John Norvall, the Macdonalds (Andy Macdonald was a farmer and rugby player famous for having fought and killed a lion which attacked him), Trevor Smith, Ian Burchell - the list goes on.

"Some people have left," says Mr Kirby, who came here from England in 1947 and joined the British South Africa Police

before he switched to farming. "But the opportunities to leave are not all that easy. You can't realise your assets and what you realise, you can't take with you. Financially you're trapped. The other thing is that I don't think people want to go. They would prefer to stay here."

The more people leave, the more dangerous and isolated life becomes for those commercial farmers who remain. "We are very concerned at the distance between the farms that are occupied," he says. "Between us and Bulawayo there used to be six residential farms. There's not one today."

After an attack, the farmers will join the security forces in expeditions through the bush to try to track down and kill the perpetrators, called "goats" by some of the farmers after the term used for the enemy by American soldiers in Vietnam.

No one is sure what motivates these shadowy figures who live by the barrel of a gun. Many are ex-combatants from Zimpro, the Zimbabwe People's Revolutionary Army which was the military wing of Dr Joshua Nkomo's Zimpro party during the war. A few may simply be unemployed youths looking for wealth and adventure. What is certain is that Zimpro and the 17m people of Matabeleland, outnumbered four to one by the ruling Shona, bear many grudges against the Zanu (PF) government of Prime Minister Robert Mugabe far away in

the capital Harare.

The government has repeatedly cracked down on Zanu, blaming its leaders and the South Africans for the Matabeleland killings. But some senior Zanu officials, already resentful about what they see as the economic neglect of their region, believe the government itself has at times orchestrated the activities of the bandits in order to discredit Zanu.

When the Zimbabwean army's North Korean-trained Fifth Brigade swept through Matabeleland in brutal campaigns to end the banditry in 1983 and 1984, hundreds of the Matabele were killed. Some were said to have fled the country and to have been recruited by South Africa. Recently, however, there has been little evidence of direct South African involvement, although South African radio propaganda is beamed to the area in the local Ndebele language. Farmers say dissidents killed recently had old weapons. The South African toothpaste and radio batteries found on the dead, are likely to have been bought in neighbouring Botswana.

A more immediate concern is that the Matabeleland gunmen might link up with the better equipped rebels of the Moselem National Resistance who have begun to launch attacks into eastern Zimbabwe. "We've so far been spared things like

landmines and rockets," says Mr Kirby.

In Matabeleland and the Midlands dissidents have terrorised people into giving them food and shelter, burned down shops and murdered informers. But they have also taken advantage of superstitious villagers and exploited local grievances against commercial farmers, portraying themselves as Robin Hood figures who steal from the rich and give to the poor.

A recent happy top of conversation in the Kirby household was the reported killing by the security forces in the Midlands of the notorious dissident Richard Gwesela, who roamed the country for several years and who was credited with the deaths of more than 20 people. Gwesela, widely believed to have magical powers enabling him to turn himself into a snake or a tree to avoid capture, had a price of 50,000 Zimbabwe dollars (£16,778) on his head. The government has said that there are only about 100 dissidents left alive, but many farmers believe the number is higher.

White farmers such as Mr Kirby, valued for their contribution to the economy but politically on the sidelines, are anxiously following the latest round of unity talks between Zanu (PF) and Zanu and hoping that an agreement will help to end the troubles. Mr Mugabe, due to become executive President at the end of the year, is aiming for

a one-party state, but many members of Zanu are not convinced that their interests will be best served by incorporation into Zanu (PF) and the allocation to them of some token posts in the cabinet.

The first indications were that the talks may not be jeopardised by the mission massacre, although the episode could yet put them under strain. Mr Enos Nkala, the Home Affairs Minister who plays a key part in the negotiations, made it clear yesterday that he did not regard the killings as politically inspired, blaming instead what he called "the squatter problem".

The Kirbys are scanning the skies as well as the newspaper headlines for signs of hope. "The drought is the overriding problem," says Mr Kirby.

Dry at the best of times, the land is parched after successive years of poor rain. The Mananda dam, which is supposed to irrigate Mr Kirby's pastures and where people once watered their cattle, is all but empty. Pine and eucalyptus trees are dying and falling over. Fed with chopped leaves and branches from the bush for want of grass, the Kirbys' 160 cows are losing weight. Two-thirds of the milk they produced last year.

In the communal lands nearby, the villagers say the gods are angry. Thousands of cattle - the measure of wealth for the Matabele - have died in the region, and many of those which remain are emaciated and close to death. The water table has dropped, boreholes and dams have dried up and people have to walk for miles to scratch deep into sandy riverbeds for water. The shortage of strong cattle means difficulties with ploughing. There is strict rationing of water in Bulawayo, Zimbabwe's second largest city.

"The drought has affected us badly," says Mr Farzana Ndebele, a villager dressed in ragged clothes. "Some people lost 30 or 40 cattle and now they have nothing." The government, churches and private charities are trying to save off malnutrition and hunger in the province. Food is being sent to the worst-hit areas, but without good rains this season thousands of people will have to migrate to where they can find work.

Zimbabwe's Matabele people, descended from the warlike Zulus and boasting a proud history, face an uncertain future. Once the conquerors of the Shona, they now find themselves in the minority within Zimbabwe's borders.

As for the local whites, sometimes the allies of the Matabele in disputes with the central government, their role in the countryside has been steadily reduced by emigration. Banditry and the pressure for land, exacerbated by the increase in the black population, have taken their toll.

"I miss being able to walk in the bush whenever I want," says Mrs Kirby. "In the past, when after independence we could do it again for a while. Wild animals - leopard, kudu, occasionally elephants - are seen around the farm. At one boundary is a rockface adorned with the ochre-coloured animal paintings of the bushmen, earlier inhabitants even than the Matabele. On the other side is a hollow-sounding lump of granite worn down by ceremonial drumming designed to encourage the rain."

"Our worst period has been since July," says Mr Kirby. "I've got no plans to leave. But I must say I look at the grass and the empty dam and I wonder what I'm going to do."

Man in the News

Paul Mugnaioni

A sharp mind housed in a smart suit

By James Buxton



But he does not see his move to Quality Street as the crossing of an ideological divide. "The public sector already plays an entrepreneurial role in housing in Glasgow," he says. "As the biggest municipal landlord in western Europe we're the market leader. But we're now on the threshold of a revolution in rented property in which the private sector will play a leading part. I want to be the market leader there."

He already seems more like a businessman than an official. Having become housing director of Glasgow at the age of 31, there weren't many other jobs I could have gone to in local government," he said. "I would have been happy to stay for another

five years if this hadn't come. The move means a "marginal" improvement in his £36,000 a year salary. He will stay in his owner-occupied flat in a tenement building in Byndland, a middle class part of Glasgow.

The city has horrifying housing problems: it has 170,000 council properties, most of them built in the post-war period when some of Britain's worst mistakes in building technology and housing amenities were made. It is estimated that it would cost £25m to renovate all the decayed council property in Glasgow.

But squeezed between the extreme reluctance of the elected council to raise rents and the Government's parsimony with

housing support grant, the housing department has had to find a variety of partial solutions to the problem. He claims that some of his policies have brought the private sector into areas where it would otherwise never have gone.

He is convinced that while the council must charge more realistic rents, the Government should keep up the level of housing support to give the council a financial breathing space in which to catch up with repairs. But he recently ensured that Glasgow was well prepared to finance improvements by negotiating a \$140m loan from the private sector and thus feels he is leaving a sound ship.

"He's very good at talking turkey with financiers," said a Glasgow councillor who did not wish to be named. "He's been a good leader of the housing department, but you've got to remember that these policies are joint efforts between the housing department's staff and a number of councillors. Where Mugnaioni is good is in backing up his staff and being open to ideas."

The idea for Quality Street came only in October when Mr Mugnaioni met Tim Melville-Rose, chairman of Nationwide Anglia, over lunch. Both of them were aware that the thinking of both the Government and the Labour Party on private rented housing was changing. "The Government no longer believes that 50 per cent of all households will eventually be owner-occupiers," says Mr Mugnaioni. "Labour is beginning to think that the rented sector in Britain has to be modernised."

Quality Street intends to rent good quality housing to those categories of people who lose out from the present bias towards owner-occupation: such as young people and students, people moving from one part of the country to another, people getting divorced and people who are quite content to rent but would like to move somewhere else - a near impossibility in many cities.

The first homes are likely to become available in Glasgow early in the new year, as Quality Street aims initially to purchase new properties from developers. It will set high standards of quality and tenants will be represented on management boards. Some properties will be let furnished.

Some of the first ones are likely to be nearer the higher end of the market. But the main aim is to offer homes at "affordable" prices, which may depend in part on the Government providing increased housing benefit for tenants, while eventually Mr Mugnaioni hopes that it will "neutralise" the tax advantages of owner-occupation. Thus the scheme depends in part on the Government changing the rules. But the fact that Quality Street exists and, four days after being launched, is already receiving enquiries, may give it an incentive to do so.

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THE MONTHLY MAGAZINE FOR DISCERNING INVESTORS

FT - ACTUARIES WORLD INDICES

Jointly compiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzie & Co. Ltd., in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	THURSDAY NOVEMBER 26 1987				WEDNESDAY NOVEMBER 25 1987				DOLLAR INDEX			
	US Dollar Index	Day's Change %	Pound Sterling Index	Local Currency Index	US Dollar Index	Day's Change %	Pound Sterling Index	Local Currency Index	1987 High	1987 Low	1987 Year	Year ago (approx)
Figures in parentheses show number of stocks per group												
Australia (99)	99.58	+1.0	82.27	95.31	99.58	+1.0	82.27	95.31	100.00	85.00	91.59	
Austria (16)	92.45	-0.6	76.98	80.06	92.45	-0.6	76.98	80.06	100.00	85.00	91.59	
Belgium (48)	102.37	-0.3	84.58	88.36	102.37	-0.3	84.58	88.36	100.00	85.00	91.59	
Canada (127)	106.29	+1.1	87.81	100.79	106.29	+1.1	87.81	100.79	100.00	85.00	91.59	
Denmark (39)	111.57	+0.4	92.18	97.42	111.57	+0.4	92.18	97.42	100.00	85.00	91.59	
France (120)	98.56	-0.6	71.35	76.71	98.56	-0.6	71.35	76.71	100.00	85.00	91.59	
Germany (93)	75.99	-1.9	62.78	65.92	75.99	-1.9	62.78	65.92	100.00	85.00	91.59	
Hong Kong (46)	84.58	-0.4	69.88	74.45	84.58	-0.4	69.88	74.45	100.00	85.00	91.59	
Ireland (14)	103.24	-0.3	85.30	91.38	103.24	-0.3	85.30	91.38	100.00	85.00	91.59	
Italy (91)	79.74	+1.5	66.88	73.07	79.74	+1.5	66.88	73.07	100.00	85.00	91.59	
Japan (457)	141.36	+0.3	116.79	120.25	141.36	+0.3	116.79	120.25	100.00	85.00	91.59	
Netherlands (37)	102.34	-0.9	84.55	88.61	102.34	-0.9	84.55	88.61	100.00	85.00	91.59	
Norway (24)	132.23	-1.4	109.50	114.68	132.23	-1.4	109.50	114.68	100.00	85.00	91.59	
New Zealand (23)	96.34	-0.7	79.43	82.38	96.34	-0.7	79.43	82.38	100.00	85.00	91.59	
Sweden (49)	105.62	-2.2	87.26	92.11	105.62	-2.2	87.26	92.11	100.00	85.00	91.59	
Switzerland (53)	96.31	-0.7	80.56	84.12	96.31	-0.7	80.56	84.12	100.00	85.00	91.59	
South Africa (61)	136.09	+2.0	113.09	118.06	136.09	+2.0	113.09	118.06	100.00	85.00	91.59	
Spain (34)	120.13	+0.2	99.25	102.20	120.13	+0.2	99.25	102.20	100.00	85.00	91.59	
United Kingdom (332)	92.47	-1.2	82.41	89.01	92.47	-1.2	82.41	89.01	100.00	85.00	91.59	
USA (582)	121.35	-0.1	100.24	100.24	121.35	-0.1	100.24	100.24	100.00	85.00	91.59	
World Index (2408)	99.50	+0.6	82.20	85.30	99.50	+0.6	82.20	85.30	100.00	85.00	91.59	

Base value: Dec 31, 1986 = 100
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US Market closed for public holiday November 26.
Latest prices were available for this edition.

Economic Diary

TOMORROW: General election in Turkey. National referendum in Poland on economic reform and political changes.
MONDAY: 50 internal market council meets in Brussels. London sterling certificates of deposit (October). UK banks' assets and liabilities and the money stock (October). Centre for Economic Policy Research holds conference 'The case for LDC debt relief' at 10 St James's Square, London SW1. Eurotunnel share offer allocations. I.C.I. third quarter figures. US revised figures for productivity and costs (third quarter). OAU economic summit in Addis Ababa (until December 1). Sir David Wilson, Hong Kong governor, visits Canton, Shanghai and Peking (until December 5).

TUESDAY: Financial Times Conference hold 'World Telecommunications' conference at Hotel Inter-Continental, London W1. Institute of Directors annual dinner. NATO defence planning committee meets in Brussels (until December 2). World Travel Market opens at Olympia. US Senate Finance Committee hearings start in Washington. Thatcher House annual results. GEC and Allied-Lyons publish interim figures.

WEDNESDAY: UK official reserves (November). Capital issues and redemptions (November). Overseas travel and tourism (September). Advance energy statistics (October). Kings Cross fire enquiry opens. Saatchi and Saatchi annual results. Argyl Group half-year results. US construction spending figures (October).

THURSDAY: 1987 New earnings survey, report Part 2. Analysis by region. Housing starts and completions (October). House renovations (third quarter). Detailed analysis of employment, unemployment, earnings, prices and other indicators.

FRIDAY: European summit in Copenhagen (until December 6). US unemployment figures (November).

VOLUMES IN MAJOR STOCKS

The following is based on trading volume for Alpha securities dealt through the SEAG system yesterday until 5 pm.

Stock	Volume	Stock	Volume	Stock	Volume	Stock	Volume
ASDA-MFI	1,800	Entertainment	150	Prudential	440	Shell	1,000
ASDA	1,800	Fluor	400	Racal	500	Shell	1,000
ASDA	1,800	Fluor	400	Racal	500	Shell	1,000
ASDA	1,800	Fluor	400	Racal	500	Shell	1,000
ASDA	1,800	Fluor	400	Racal	500	Shell	1,000
ASDA	1,800	Fluor	400	Racal	500	Shell	1,000
ASDA	1,800	Fluor	400	Racal	500	Shell	1,000
ASDA	1,800	Fluor	400	Racal	500	Shell	1,000
ASDA	1,800	Fluor	400	Racal	500	Shell	1,000
ASDA	1,800	Fluor	400	Racal	500	Shell	1,000

FT - ACTUARIES WORLD INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS	Friday November 27 1987										Highs and Lows Index			
	Index No.	Day's Change %	Ed. Div. Yield % (27/8)	Ed. Div. Yield % (27/8)	Ed. Div. Yield % (27/8)	Ed. Div. Yield % (27/8)	Ed. Div. Yield % (27/8)	Ed. Div. Yield % (27/8)	Ed. Div. Yield % (27/8)	Ed. Div. Yield % (27/8)	1987 High	1987 Low	1987 High	1987 Low
1 CAPITAL 6000S (213)	664.15	-0.4	10.62	4.31	11.83	19.71	667.24	672.07	672.07	672.07	1038.07	1038.07	1038.07	1038.07
2 Building Materials (30)	852.84	-1.0	11.22	4.39	11.11	23.87	861.27	867.32	874.32	888.00	1038.07	1038.07	1038.07	1038.07
3 Contracting, Construction (33)	1228.99	-0.1	10.21	4.08	13.09	34.54	1228.94	1222.86	1231.42	1232.23	1038.07	1038.07	1038.07	1038.07
4 Electronics (33)	1891.85	-0.1	9.63	4.91	13.51	64.72	1895.84	1883.97	1885.28	1723.61	1038.07	1038.07	1038.07	1038.07
5 Engineering (33)	1452.97	+0.1	10.80	4.40	11.56	36.02	1453.84	1453.75	1453.84	1453.84	1038.07	1038.07	1038.07	1038.07
6 Mechanical Engineering (40)	133.84	-0.1	11.12	4.91	11.52	33.17	133.72	133.84	133.84	133.84	1038.07	1038.07	1038.07	1038.07
7 Metals and Metal Forming (7)	385.67	-2.7	10.21	4.28	11.93	11.35	386.29	392.94	392.94	392.94	1038.07	1038.07	1038.07	1038.07
8 Motors (14)	228.18	-0.3	12.63	4.86	12.22	7.36	228.88	229.94	240.89	278.24	1038.07	1038.07	1038.07	1038.07
9 Other Industrial Materials (22)	1161.28	-0.9	8.95	4.57	13.28	37.40	1171.85	1174.47	1174.47	1174.47	1038.07	1038.07	1038.07	1038.07
10 Consumer Goods (185)	703.35	-0.6	8.76	4.68	14.51	23.87	707.21	707.81	707.81	707.81	1038.07	1038.07	1038.07	1038.07
21 Food and Drink (21)	933.25	-0.8	10.90	3.99	11.57	18.46	935.44	935.44	935.44	935.44	1038.07	1038.07	1038.07	1038.07
22 Food Manufacturing (23)	776.41	-0.7	9.73	4.11	13.26	22.49	781.82	779.32	784.31	781.27	1038.07	1038.07	1038.07	1038.07
23 Food Retailing (17)	1367.54	-1.8	7.85	3.94	14.48	12.83	1367.54	1367.54	1367.54	1367.54	1038.07	1038.07	1038.07	1038.07
24 Health and Household Products (30)	1278.22	-0.6	8.65	3.58	17.48	33.47	1278.22	1278.22	1278.22	1278.22	1038.07	1038.07	1038.07	1038.07
25 Lifestyles (30)	1057.54	+0.7	7.83	4.39	15.96	29.45	1060.71	1057.54	1057.54	1057.54	1038.07	1038.07	1038.07	1038.07
26 Packaging and Paper (16)	689.39	-0.9	9.87	3.94	14.48	12.83	689.39	689.39	689.39	689.39	1038.07	1038.07	1038.07	1038.07
27 Publishing and Printing (15)	1038.49	-0.9	9.87	3.58	17.48	33.47	1038.49	1038.49	1038.49	1038.49	1038.07	1038.07	1038.07	1038.07
28 Stores (35)	603.34	-1.9	9.32	3.70	14.40	10.16	603.34	603.34	603.34	603.34	1038.07	1038.07	1038.07	1038.07
29 Textiles (16)	769.46	-2.9	12.26	4.34	15.55	15.46	769.46	769.46	769.46	769.46	1038.07	1038.07	1038.07	1038.07
40 OTHER GROUPS (87)	796.99	-0.1	11.22	4.55	11.09	23.23	797.99	797.99	797.99	797.99	1038.07	1038.07	1038.07	1038.07
41 Agencies (17)	934.60	-1.0	6.49	2.49	20.22	26.91	935.56	935.56	935.56	935.56	1038.07	1038.07	1038.07	1038.07
42 Chemicals (21)	969.21	-0.1	10.85	3.91	12.85	29.40	972.88	972.88	972.88	972.88	1038.07	1038.07	1038.07	1038.07
43 Composites (13)	1093.00	-0.1	6.44	4.32	11.87	22.49	1093.00	1093.00	1093.00	1093.00	1038.07	1038.07	1038.07	1038.07
44 Shipping and Transport (11)	1443.84	-0.1	10.22	4.85	12.83	56.73	1443.84	1443.84	1443.84	1443.84	1038.07	1038.07	1038.07	1038.07
47 Telephone Networks (2)	1038.49	-0.5	12.98	3.87	12.82	28.98	1038.49	1038.49	1038.49	1038.49	1038.07	1038.07	1038.07	1038.07
48 Miscellaneous (23)	1125.25	-0.6	10.85	4.34	13.26	22.49	1125.25	1125.25	1125.25	1125.25	1038.07	1038.07	1038.07	1038.07
49 INDUSTRIAL GROUP (48)	1093.00	-0.4	9.87	4.97	12.73	22.49	1093.00	1093.00	1093.00	1093.00	1038.07	1038.07	1038.07	1038.07
51 Oil & Gas (17)	1589.54	-1.0	10.45	4.19	12.82	65.74	1589.54	1589.54	1589.54	1589.54	1038.07	1038.07	1038.07	1038.07
59 SHARE INDEX (200)	915.49	-0.5	9.98	4.38	12.58	26.04	919.89	920.21	920.21	920.21	1038.07	1038.07	1038.07	1038.07
61 FINANCIAL GROUP (21)	604.29	-0.1	5.30	2.37	10.89	60.16	604.29	604.29	604.29	604.29	1038.07	1038.07	1038.07	1038.07
62 Banks (10)	628.25	-0.2	21.37	6.27	6.39	23.58	628.25	628.25	628.25	628.25	1038.07	1038.07	1038.07	1038.07
63 Insurance (Life) (6)	884.99	+0.7	5.20	2.39	6.78	60.16	884.99	884.99	884.99	884.99	1038.07	1038.07	1038.07	1038.07
64 Insurance (Non-life) (7)	884.99	+0.7	5.20	2.39	6.78	60.16	884.99	884.99	884.99	884.99	1038.07	1038.07	1038.07	1038.07
67 Insurance (Brokers) (8)	765.40	+0.1	14.14	7.30	9.05	39.63	765.40	765.40	765.40	765.40	1038.07	1038.07	1038.07	1038.07
68 Merchant Banks (11)	325.10	+0.3	4.57	8.77	324.13	324.13	324.13	324.13	324.13	324.13	1038.07	1038.07	1038.07	1038.07
69 Property (49)	891.33	-1.3	5.74	3.42	22.94	18.92	891.33	891.33	891.33	891.33	1038.07	1038.07	1038.07	1038.07
70 Other Financial (30)	765.40	+0.1	14.14	7.30	9.05	39.63	765.40	765.40	765.40	765.40	1038.07	1038.07	1038.07	1038.07
72 Investment Trusts (87)	796.99	-0.1	11.22	4.55	11.09	23.23	797.99	797.99	797.99	797.99	1038.07	1038.07	1038.07	1038.07
81 Mining Finance (2)	413.31	+0.3	11.85	4.13	18.19	12.77	413.31	413.31	413.31	413.31	1038.07	1038.07	1038.07	1038.07
82 Overseas Traders (10)	678.01	-1.9	10.45	3.63	11.28	37.40	678.01	678.01	678.01	678.01	1038.07	1038.07	1038.07	1038.07
99 ALL-SHARE INDEX (720)	651.00	-0.4	4.77	24.49	634.64	634.64	634.64	634.64	634.64	634.64	1038.07	1038.07	1038.07	1038.07

FIXED INTEREST	AVERAGE GROSS REDEMPTION YIELDS
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NEW YORK

November 25

DOW JONES

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WALL STREET

Prices drift lower with few traders

Wall Street stocks were lower but drifted with traders absent and investors uninterested in making a move.

The dollar was lower and Treasury yields rose as the Commodities Research Bureau futures index continued to rise, although brokers saw little reaction.

The Dow Jones Industrial Average was down 7.79 points at 28,312.48 after hitting a high of 28,313.50. Declines led advances almost five to four in turnover of 650m shares.

Pharmaceutical shares, normally immune to the currency market, fell on short-term profit-taking; electricals eased on the dollar's weakness; securities houses shares fell on pessimistic sentiment; and textile, service, glass/cement, non-ferrous metal, retail, rubber, and warehouse shares gained.

Many brokers were disappointed, having expected the index to rise in heavy volume due to the start of the December trading period and recommendations by major Japanese brokerages to buy domestic demand-related shares.

One broker said the market had shifted from a focus on the US economy to a more global perspective concerning exchange rates while others were optimistic that Japan would enjoy its traditional year-end rally as long as Wall Street remained stable.

Among active golds, Placer Dome gained 0.34% to \$280.10. Minerals was up 0.34% to \$280.10 and Hemlo was up 0.34% to \$280.10. Base metal mining companies were mixed and banking stocks slipped after rising on Thursday on some good fourth quarter earnings reports: Toronto Dominion Bank rose 0.34% to \$280.10.

Closing prices for N America were not available for this edition.

CANADA

November 25

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CURRENCIES & MONEY

FOREIGN EXCHANGES

Dollar slips to record lows

YESTERDAY'S WEAKER dollar trend was really a logical extension of market sentiment. It was the timing that caught most people off guard. Sandwiched between Thursday's holiday in the US and the weekend, activity was expected to be very subdued and certainly not sufficient to push the dollar to record lows against the D-Mark and yen.

Yet with hindsight, dealers could find little reason to wait until next week to punish the dollar once more. Prospects of a successful and early conclusion to talks aimed at gift wrapping cuts in the US budget deficit for Christmas were seen as less than encouraging.

There were no economic statistics of note to provide any support so the dollar was sold. Trading volume was below even the relatively low level experienced on a normal Friday but was sufficient to push the dollar to a record low of DM1.6535 before

closing at DM1.6540 down from DM1.6585 on Thursday. Against the yen it fell to a record low of ¥133.55 and closed at ¥133.55 down from ¥134.55. Elsewhere it slipped to SFr1.3675 from SFr1.3685 and FF5.6250 compared with FF5.6625. On Bank of England figures, the dollar's exchange rate index fell from 85.8 to 85.4.

Sterling rose to its best level since May 1982 against the dollar, closing at \$1.81, up from \$1.7945 on Thursday. Dollar weakness and a growing conviction that UK base rates were likely to stay put until the New Year gave the pound a strong undertone and dealers suggested that there could be another push on the DM8.00 level, until now so jealously guarded by the Bank of England.

The pound's exchange rate index finished at 76.0 up from 75.7. It was unchanged against the D-Mark at DM2.9650 but rose

to ¥242.0 from ¥241.50 and SFr2.4570 compared with SFr2.4500. It was also higher against the French franc at FF10.1825 from FF10.1625.

D-MARK-Trading range against the dollar in 1987 is 1.9305 to 1.6540. October average 1.8011. Exchange rate index 181.4 against 144.7 six months ago.

Growing disillusionment with the limited effect of recent efforts to reduce world trade imbalances resulted in further dollar selling in Frankfurt. The dollar closed at DM1.6575 from DM1.6665.

JAPANESE YEN-Trading range against the dollar in 1987 is 159.45 to 133.55. October average 143.27. Exchange rate index 229.5 against 224.4 six months ago.

A lack of confidence prompted further dollar sales in Tokyo. The US unit fell to ¥133.75 from ¥134.75 on Thursday.

LONDON STOCK EXCHANGE

Sterling helps Gilts hinders equities

Account Trading Data

Day	Open	High	Low	Close
Oct 26	100.00	100.00	100.00	100.00
Nov 2	100.00	100.00	100.00	100.00
Nov 9	100.00	100.00	100.00	100.00
Nov 16	100.00	100.00	100.00	100.00
Nov 23	100.00	100.00	100.00	100.00
Dec 1	100.00	100.00	100.00	100.00
Dec 8	100.00	100.00	100.00	100.00
Dec 15	100.00	100.00	100.00	100.00
Dec 22	100.00	100.00	100.00	100.00
Dec 29	100.00	100.00	100.00	100.00

LONDON'S SECURITIES markets continued to limp along in the path of New York's subdued return from holiday, with only the renewed weakness in the dollar giving fund managers pause for thought.

A move by the pound to above \$1.80 for the first time in six years, discouraged the blue chip exporting stocks, while helping Government bonds to add ½ a point. But turnover in both sectors was again very thin.

Nervousness over the pound was not helped by a prediction from Warburg Securities, the big UK investment house, that sterling could reach \$1.90 "or even higher".

It is the weakness of the dollar, despite the combination of US moves to cut the budget deficit and interest rate reductions in Europe which has unsettled London's fund managers.

At the same time, London institutional investors realise that UK rates are unlikely to be lowered just now, and were not surprised by the rejection by Mr Nigel Lawson, the UK Chancellor of the Exchequer, of the need for lower UK rates.

Share prices opened lower and proved unable to sustain attempts to rally before sliding away again to end on a weak note, plunging new lows for the session.

The FT-SE 100 index closed 9.1 down at 1651.6. Equity turnover was similar to that on Thursday, when SEAQ bargains totalled 17,395, and less than one third of the Black Monday week's levels.

The London equity market, having jumped sharply at the beginning of the week as Washington reached accord on budget cuts and Germany led cuts in European interest rates, has lost power as the dollar has weakened over the US Thanksgiving holiday.

For the first time, the markets are selling the politicians what must be done "commented one trader at a leading US securities house."

Also discouraging investment confidence in London was a poor response from UK investors for the 3770m offer for sale of shares in Eurotunnel, the Anglo-French Channel Tunnel group.

Among the blue chip exporting stocks, ICI looked dull, Glaxo continued to give ground as the market assessed the implications of the threat to pricing of Zantac from the French regulatory authorities.

Despite a calmer bullion price trend, Consolidated Goldfields

FINANCIAL TIMES STOCK INDICES									
	Nov. 27	Nov. 26	Nov. 25	Nov. 24	Nov. 23	Nov. 22	Nov. 21	Nov. 20	Nov. 19
Government Secs	95.95	95.80	95.80	95.80	95.80	95.80	95.80	95.80	95.80
Fixed Interest	95.95	95.80	95.80	95.80	95.80	95.80	95.80	95.80	95.80
Equity 100	1331.2	1334.4	1334.4	1334.4	1334.4	1334.4	1334.4	1334.4	1334.4
Gold Mines	308.8	308.9	307.8	307.3	307.0	306.5	306.5	306.5	306.5
Oil & Coal	4.73	4.72	4.71	4.64	4.73	4.71	4.71	4.71	4.71
Energy 100	11.70	11.68	11.64	11.47	11.71	11.70	11.70	11.70	11.70
FT-SE 100	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6
FT-SE 250	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6
FT-SE 500	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6
FT-SE 1000	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6
FT-SE 1500	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6
FT-SE 2000	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6
FT-SE 2500	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6
FT-SE 3000	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6
FT-SE 3500	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6
FT-SE 4000	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6
FT-SE 4500	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6
FT-SE 5000	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6
FT-SE 5500	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6
FT-SE 6000	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6
FT-SE 6500	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6
FT-SE 7000	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6
FT-SE 7500	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6
FT-SE 8000	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6
FT-SE 8500	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6
FT-SE 9000	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6
FT-SE 9500	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6
FT-SE 10000	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6	1651.6

continued to edge higher, although the gold producer issues had a slack session. Shell stood out again in an off share market still upset by crude price uncertainty.

Government bonds were "very quiet", although some sources reported some support from the UK pension funds. Prices were dampened off at the close by weak performance by US bonds, reflected in a downturn in bond futures.

"Gilts are still a safer place to be than equities", commented a US trader. This week has seen institutions uncertain whether to stay in Gilts or to take profits out of the sector and move into cash - there has been little sign this week of intentions to move back into the equity market.

Tate and Lyle, diversified UK-based sugar refiner, produced one of the day's rare bright spots, rising 34 to 70½p reflecting a squeeze on bear positions ahead of the annual results due next Thursday.

The shares have performed well in recent days helped by satisfactory results from its UK subsidiary Redpath Industries, marketers and analysts expect the company to produce profits of around £90-£94m for the full year.

Electronic Rentals (ERG) surged 5 to 79p, after 79p, after Granada Group announced an increased and agreed bid valuing the shares at some 85p and the company at around £250m.

Royal Bank of Scotland dropped 2 to 289p ahead of Thursday's interim results. Standard Chartered, bought recently after Robert Holmes a Court's interest sold the 10 per cent stake in Texaco, slipped back 5 to 476p.

Life assurances made modest progress across the board. Abbey attracted persistent support, helped by a recent Wood Mackenzie buy recommendation, and settled 4 up at 283p, while Legal & General added a similar amount to 269p. Pearl featured with a 10 jump to 349p, with dealers pondering the possibility of the start of a stake-building operation in the stock. Composites were quietly mixed as were broking issues.

Revelax, a property development group, made a satisfactory debut in the United Securities Market, the shares opening at the placing price of 70p and edging forward to 73p.

Later-market activity brought swift responses in selected brewery issues. Bass featured among the leading stocks with a jump of 19 to 81½p; the group is scheduled to report preliminary figures next Thursday and more City analysts are looking for profits of around £360m. Market-makers were also chasing each other's tails in Scottish & Newcastle and the sharp rise in the shares of 11 to 222p gave rise to speculation that New Zealand Ron Brerley could be raising his stake to a disclosed level.

Recently acquired Matthews & Brown gained 20 to 65½p in sympathy. Allied-Lyons firmed to 334p after news of the increase in the US dollar multiple option facility from \$500m to \$750m and of extended terms to March 1993. The increase has been fully underwritten and was oversubscribed. H.P. Bulmer went better following a disposal of Cadbury-Schweppes to close 4 higher at 147p. The dealmaker has sold Red Creek, a UK subsidiary which trades in the US, for \$3m.

Leading Buildings made a last-minute showing and ended the session with a gain of 2 to 269p. Blue Circle, which on Thursday disclosed a 2.6 per cent holding in Birmid Quake, drifted back to close 10 off at 51p. BHP last night slipped 10 to 289p, amid rumours of a major and disposal. Late support lifted Sheraton Securities 13 to 83p, but occasional selling ahead of the forthcoming results clipped 7 from Brierley's bid at 289p.

The land swap arrangement with the Mersey Development Corporation encouraged further speculative support of Mersey Dock & Harbour units. Bid for the shares was 10 to 289p, the movement which ended with the shares showing a fresh rise of 15 at 389p. Walter Duncan, on the other hand, came on offer and closed 18 lower at 406p.

The returning spotlight exposure to the US dollar unsettled Courtaulds, down 8 at 325p, and several other textiles. Dawson International, another to report interim results this week, slipped 3 more to 189p while Toolac gave up 5 to 99p.

Financial Trusts were notable for a rise of 25 to 600p in Henderson Administration, this following a report of a 10 per cent advance of 15 to 65p in Biotechnology Investments. Concern over crude oil prices in the run up to the December 18 OPEC meeting depressed oil and gas issues. British Gas lost 5½ more to 123½p following the Monopolies Commission reference and a recent headline forecast by BZW.

A busy week in the electronics and electrical hardware ended on a relatively quiet note. EMI, a weak market on Thursday when Plessey's purchase of Ferranti's microchip business effectively halted the rise of the company buying the 100 per cent stake, rallied strongly to close 15 higher at 64½p; the company announced it is buying the remaining shares in its Australian associate for some £100m. Thorn EMI shares were additionally boosted by substantial buying interest thought to have represented covering of option business.

A brisk 11m share turnover in Telecom saw the shares settle a fraction higher at 214p, after comment on the half-year results. GEC held at 169p in front of interim figures scheduled for Tuesday; Wood Mackenzie are forecasting pre-tax profits of \$300m, Warburgs are going for \$300m, and Prudential-Beche estimate profits at \$290m.

MK Electric edged up 4 more to 689p - 39p above the 550p a share cash bid announced by RTZ earlier in the week - as speculators moved in on news that French group Legrand had

picked up a 2.6 per cent stake and could well launch a counter offer.

Several bid chestnuts resurfaced in the Engineering sector following Blue Circle's interest in Birmid Quake. There was little evidence of the former adding to its 2.6 per cent holding yesterday but Birmid were excited by bid possibilities and rose to 269p before ending up on the day 25p. Others to prosper were Delta, 9½ dearer at 220p, and Simon, 7 higher at 210p. Chamberlain & Hill responded to excellent first-half profits with a jump of 11 to 111p while Victor Products gained 12 to 132p and Balfour advanced 10 to 206p. The sector also had casualties, these including TL, down 6 at 267p, and RHP, which gave up 5 at 154p.

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LONDON STOCK EXCHANGE

DEALINGS

Details of business done above have been taken with consent from last Thursday's Stock Exchange Official List and should not be taken as a recommendation to buy or sell. Details of business done above have been taken with consent from last Thursday's Stock Exchange Official List and should not be taken as a recommendation to buy or sell.

Corporation and County Stocks

London County 2 1/2% Cons Stk 1989 (after) 223 1/2
Greater London Council 5 1/2% Stk 1992 - 220 1/2
Birmingham Corp 2 1/2% Stk 1989 (after) - 223 1/2
7 1/2% Stk 1987 (after) - 225 1/2
10 1/2% Stk 1983 (after) - 228 1/2
12 1/2% Stk 1981 (after) - 231 1/2
14 1/2% Stk 1979 (after) - 234 1/2
16 1/2% Stk 1977 (after) - 237 1/2
18 1/2% Stk 1975 (after) - 240 1/2
20 1/2% Stk 1973 (after) - 243 1/2
22 1/2% Stk 1971 (after) - 246 1/2
24 1/2% Stk 1969 (after) - 249 1/2
26 1/2% Stk 1967 (after) - 252 1/2
28 1/2% Stk 1965 (after) - 255 1/2
30 1/2% Stk 1963 (after) - 258 1/2
32 1/2% Stk 1961 (after) - 261 1/2
34 1/2% Stk 1959 (after) - 264 1/2
36 1/2% Stk 1957 (after) - 267 1/2
38 1/2% Stk 1955 (after) - 270 1/2
40 1/2% Stk 1953 (after) - 273 1/2
42 1/2% Stk 1951 (after) - 276 1/2
44 1/2% Stk 1949 (after) - 279 1/2
46 1/2% Stk 1947 (after) - 282 1/2
48 1/2% Stk 1945 (after) - 285 1/2
50 1/2% Stk 1943 (after) - 288 1/2
52 1/2% Stk 1941 (after) - 291 1/2
54 1/2% Stk 1939 (after) - 294 1/2
56 1/2% Stk 1937 (after) - 297 1/2
58 1/2% Stk 1935 (after) - 300 1/2
60 1/2% Stk 1933 (after) - 303 1/2
62 1/2% Stk 1931 (after) - 306 1/2
64 1/2% Stk 1929 (after) - 309 1/2
66 1/2% Stk 1927 (after) - 312 1/2
68 1/2% Stk 1925 (after) - 315 1/2
70 1/2% Stk 1923 (after) - 318 1/2
72 1/2% Stk 1921 (after) - 321 1/2
74 1/2% Stk 1919 (after) - 324 1/2
76 1/2% Stk 1917 (after) - 327 1/2
78 1/2% Stk 1915 (after) - 330 1/2
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546 1/2% Stk 1447 (after) - 1032 1/2
548 1/2% Stk 1445 (after) - 1035 1/2
550 1/2% Stk 1443 (after) - 1038 1/2
552 1/2% Stk 1441 (after) - 1041 1/2
554 1/2% Stk 1439 (after) - 1044 1/2
556 1/2% Stk 1437 (after) - 1047 1/2
558 1/2% Stk 1435 (after) - 1050 1/2
560 1/2% Stk 1433 (after) - 1053 1/2
562 1/2% Stk 1431 (after) - 1056 1/2
564 1/2% Stk 1429 (after) - 1059 1/2
566 1/2% Stk 1427 (after) - 1062 1/2
568 1/2% Stk 1425 (after) - 1065 1/2
570 1/2% Stk 1423 (after) - 1068 1/2
572 1/2% Stk 1421 (after) - 1071 1/2
574 1/2% Stk 1419 (after) - 1074 1/2
576 1/2% Stk 1417 (after) - 1077 1/2
578 1/2% Stk 1415 (after) - 1080 1/2
580 1/2% Stk 1413 (after) - 1083 1/2
582 1/2% Stk 1411 (after) - 1086 1/2
584 1/2% Stk 1409 (after) - 1089 1/2
586 1/2% Stk 1407 (after) - 1092 1/2
588 1/2% Stk 1405 (after) - 1095 1/2
590 1/2% Stk 1403 (after) - 1098 1/2
592 1/2% Stk 1401 (after) - 1101 1/2
594 1/2% Stk 1399 (after) - 1104 1/2
596 1/2% Stk 1397 (after) - 1107 1/2
598 1/2% Stk 1395 (after) - 1110 1/2
600 1/2% Stk 1393 (after) - 1113 1/2
602 1/2% Stk 1391 (after) - 1116 1/2
604 1/2% Stk 1389 (after) - 1119 1/2
606 1/2% Stk 1387 (after) - 1122 1/2
608 1/2% Stk 1385 (after) - 1125 1/2
610 1/2% Stk 1383 (after) - 1128 1/2
612 1/2% Stk 1381 (after) - 1131 1/2
614 1/2% Stk 1379 (after) - 1134 1/2
616 1/2% Stk 1377 (after) - 1137 1/2
618 1/2% Stk 1375 (after) - 1140 1/2
620 1/2% Stk 1373 (after) - 1143 1/2
622 1/2% Stk 1371 (after) - 1146 1/2
624 1/2% Stk 1369 (after) - 1149 1/2
626 1/2% Stk 1367 (after) - 1152 1/2
628 1/2% Stk 1365 (after) - 1155 1/2
630 1/2% Stk 1363 (after) - 1158 1/2
632 1/2% Stk 1361 (after) - 1161 1/2
634 1/2% Stk 1359 (after) - 1164 1/2
636 1/2% Stk 1357 (after) - 1167 1/2
638 1/2% Stk 1355 (after) - 1170 1/2
640 1/2% Stk 1353 (after) - 1173 1/2
642 1/2% Stk 1351 (after) - 1176 1/2
644 1/2% Stk 1349 (after) - 1179 1/2
646 1/2% Stk 1347 (after) - 1182 1/2
648 1/2% Stk 1345 (after) - 1185 1/2
650 1/2% Stk 1343 (after) - 1188 1/2
652 1/2% Stk 1341 (after) - 1191 1/2
654 1/2% Stk 1339 (after) - 1194 1/2
656 1/2% Stk 1337 (after) - 1197 1/2
658 1/2% Stk 1335 (after) - 1200 1/2
660 1/2% Stk 1333 (after) - 1203 1/2
662 1/2% Stk 1331 (after) - 1206 1/2
664 1/2% Stk 1329 (after) - 1209 1/2
666 1/2% Stk 1327 (after) - 1212 1/2
668 1/2% Stk 1325 (after) - 1215 1/2
670 1/2% Stk 1323 (after) - 1218 1/2
672 1/2% Stk 1321 (after) - 1221 1/2
674 1/2% Stk 1319 (after) - 1224 1/2
676 1/2% Stk 1317 (after) - 1227 1/2
678 1/2% Stk 1315 (after) - 1230 1/2
680 1/2% Stk 1313 (after) - 1233 1/2
682 1/2% Stk 1311 (after) - 1236 1/2
684 1/2% Stk 1309 (after) - 1239 1/2
686 1/2% Stk 1307 (after) - 1242 1/2
688 1/2% Stk 1305 (after) - 1245 1/2
690 1/2% Stk 1303 (after) - 1248 1/2
692 1/2% Stk 1301 (after) - 1251 1/2
694 1/2% Stk 1299 (after) - 1254 1/2
696 1/2% Stk 1297 (after) - 1257 1/2
698 1/2% Stk 1295 (after) - 1260 1/2
700 1/2% Stk 1293 (after) - 1263 1/2
702 1/2% Stk 1291 (after) - 1266 1/2
704 1/2% Stk 1289 (after) - 1269 1/2
706 1/2% Stk 1287 (after) - 1272 1/2
708 1/2% Stk 1285 (after) - 1275 1/2
710 1/2% Stk 1283 (after) - 1278 1/2
712 1/2% Stk 1281 (after) - 1281 1/2
714 1/2% Stk 1279 (after) - 1284 1/2
716 1/2% Stk 1277 (after) - 1287 1/2
718 1/2% Stk 1275 (after) - 1290 1/2
720 1/2% Stk 1273 (after) - 1293 1/2
722 1/2% Stk 1271 (after) - 1296 1/2
724 1/2% Stk 1269 (after) - 1299 1/2
726 1/2% Stk 1267 (after) - 1302 1/2
728 1/2% Stk 1265 (after) - 1305 1/2
730 1/2% Stk 1263 (after) - 1308 1/2
732 1/2% Stk 1261 (after) - 1311 1/2
734 1/2% Stk 1259 (after) - 1314 1/2
736 1/2% Stk 1257 (after) - 1317 1/2
738 1/2% Stk 1255 (after) - 1320 1/2
740 1/2% Stk 1253 (after) - 1323 1/2
742 1/2% Stk 1251 (after) - 1326 1/2
744 1/2% Stk 1249 (after) - 1329 1/2
746 1/2% Stk 1247 (after) - 1332 1/2
748 1/2% Stk 1245 (after) - 1335 1/2
750 1/2% Stk 1243 (after) - 1338 1/2
752 1/2% Stk 1241 (after) - 1341 1/2
754 1/2% Stk 1239 (after) - 1344 1/2
756 1/2% Stk 1237 (after) - 1347 1/2
758 1/2% Stk 1235 (after) - 1350 1/2
760 1/2% Stk 1233 (after) - 1353 1/2
762 1/2% Stk 1231 (after) - 1356 1/2
764 1/2% Stk 1229 (after) - 1359 1/2
766 1/2% Stk 1227 (after) - 1362 1/2
768 1/2% Stk 1225 (after) - 1365 1/2
770 1/2% Stk 1223 (after) - 1368 1/2
772 1/2% Stk 1221 (after) - 1371 1/2
774 1/2% Stk 1219 (after) - 1374 1/2
776 1/2% Stk 1217 (after) - 1377 1/2
778 1/2% Stk 1215 (after) - 1380 1/2
780 1/2% Stk 1213 (after) - 1383 1/2
782 1/2% Stk 1211 (after) - 1386 1/2
784 1/2% Stk 1209 (after) - 1389 1/2
786 1/2% Stk 1207 (after) - 1392 1/2
788 1/2% Stk 1205 (after) - 1395 1/2
790 1/2% Stk 1203 (after) - 1398 1/2
792 1/2% Stk 1201 (after) - 1401 1/2
794 1/2% Stk 1199 (after) - 1404 1/2
796 1/2% Stk 1197 (after) - 1407 1/2
798 1/2% Stk 1195 (after) - 1410 1/2
800 1/2% Stk 1193 (after) - 1413 1/2
802 1/2% Stk 1191 (after) - 1416 1/2
804 1/2% Stk 1189 (after) - 1419 1/2
806 1/2% Stk 1187 (after) - 1422 1/2
808 1/2% Stk 1185 (after) - 1425 1/2
810 1/2% Stk 1183 (after) - 1428 1/2
812 1/2% Stk 1181 (after) - 1431 1/2
814 1/2% Stk 1179 (after) - 1434 1/2
816 1/2% Stk 1177 (after) - 1437 1/2
818 1/2% Stk 1175 (after) - 1440 1/2
820 1/2% Stk 1173 (after) - 1443 1/2
822 1/2% Stk 1171 (after) - 1446 1/2
824 1/2% Stk 1

ET UNIT TRUST INFORMATION SERVICE

BASE INTEREST RATES

	%		%		%
ABN Bank	9	Chamberlain Bank	9	Nat. Bk. of Kuwait	9
Adrian & Company	9	Citibank N.A.	9	Natlwest Bank	9
Allen Auto Bk.	9	City Merchants Bank	9	Northwestern Bank Ltd.	9
Allied Banker & Co.	9	Coastal Bk.	9	Overseas Bank Trust	9
Allied Trust Co.	9	CBS & East	9	PRF Finance, Ltd.	9
American Exp. Bk.	9	Comstock Bank	9	Provident Trust Ltd.	10 1/2
Asahi Bank	9	Co-operative Bank	9	R. Bagnall & Sons	9
Avon Bank	9	Cyrus Property Bk.	9	Reaumur & Franks	10 1/2
Wyns Associates	9	De La Salle Bank	9	Reynolds & Co.	9
AUD Bank Group	9	Equity Trust's plc.	9	Royal Trust Bank	9
Associates Cap. Ltd.	10	Eastern Trust Bank	9 1/2	Smith & Williams Secs.	9
Austrian & Co. Inc.	9	Financial & Gen. Sec.	9	Specialist Clearing	9
Banco de Bilbao	9	First Nat. City Corp.	10 1/2	STB Bank	9
Bank Australia	9	Flora Bk. Ltd.	10 1/2	TDI Mortgage Exp.	8 1/2
Bank Leumi (HKB)	9	Foreign Planning & Co.	9	United Bk. of Kuwait	9
Bank Credit & Comm.	9	Robert Fleming & Pous.	10	United Bank Ltd.	9
Bank of Cyprus	9	Robinson & Co.	9	Trust Plc.	9
Bank of Ireland	9	Grindlays Bank	9	Western Trust	9
Bank of India	9	Commerce Wales	9	Westcott Bank Corp.	9
Bank of Scotland	9	NFC Trust & Savings	9	Wickham & Walker	9
Banking Belgis Ltd.	9	Parsons Bank	9	Windsor Bank	9
Banking Bank	9	Heritable & Gen. Inv. Bk.	9	Windsor Bank	9
Bankers Trust Ltd.	10	PRF Samed	9		
Barclays Bank AG	9	C. Nove & Co.	9		
Bank of Montreal	9	Bankers of St. George	9		
		Boyd Bank	9		
Green Shipley	9	Lloyds Bank	9		
Business Mgrs. Trs.	9	Mutual & Sons Ltd.	9		
C. Bank International	9	Midland Bank	9		
Commerce Bank	9	Monaco Bank	9		
Comer. Bank	9	North English Can. Ltd.	9		

* Members of the Accepting Banks Committee. 7 day deposits 4%.
 Deposits 6.65% (Top Tier-22.50% at all money market) 8.25% At call money 10.00%+ remains dependent on overnight money market.
 2.9% mortgage 12.25%

BANK RETURN			
BANKING DEPARTMENT		Wednesday November 28, 1987	Increase (+) or decrease (-) for week
LIABILITIES			
Capital	14,933,000	+	8,896,478
Public Deposits	85,922,077	+	8,140,520
Bankers' Deposits	1,102,054,748	+	10,034,689
Reserve and other Accounts	1,895,125,885	+	
	3,095,085,710	+	26,944,376
ASSETS			
Government Securities	698,935,181	+	107,000,000
Advances and other Assets	870,118,444	+	26,979,574
Business Equipment & other Items	1,816,500,047	+	187,483,696
Notes	11,991,694	+	5,028,080
Cash	416,085	+	148,181
	3,095,085,710	+	26,944,376
ISSUE DEPARTMENT			
LIABILITIES			
Notes in circulation	13,372,291,948	+	117,043,840
Notes in Running Department	7,819,824	+	2,398,000
	13,380,000,000	+	120,000,000
ASSETS			
Government Debt	11,015,101	+	288,000,000
Other Government Securities	8,440,078,958	+	400,008,500
Other Securities	4,927,305,944	+	
	13,380,000,000	+	120,000,000

LEADERS AND LAGGARDS			
Percentage changes since December 31, 1986 based on Thursday November 20, 1987			
Mining Finance	+15.8%	Building Materials	+0.87
Packaging & Printing	+13.9%	Industries Group	+0.87
Overseas Transfers	+13.0%	Other Industrial Materials	+0.84
Proximity	+11.5%	Services & Goods	+1.56
Metals & Metal Forming	+11.53%	Commodities	+1.58
Good Mines Index	+11.4%	Chemicals	+1.58
Electricity	+8.6%	Plastics Group	+2.28
Oil & Gas	+8.5%	Telephones Northwest	+2.32
Shipping & Transport	+8.57	Other Groups	+2.32
Food Manufacturing	+8.38	Chemicals	+2.18
Food Processing	+8.38	Chemicals	+2.18
Health & Household Products	+8.38	Electronics	+3.01
Leisure	+8.38	Electronics	+3.01
Insurance(Compnetia)	+8.38	Packaging & Paper	+3.73
Textiles	+8.38	Other Trades	+3.73
Consumer Group	+2.94	Books	+10.42
Construction/Construction	+2.94	Books	+10.42
Insurance(Life)	+1.15	Agencies	+10.42
500 Share Index	+1.15	Mechanical Engineering	+10.42
All Share Index	+0.70	Mechanical Engineering	+10.42

	Rises and Falls			On the week		
	Rises	On Friday Falls	Same	Rises	Falls	Same
British Funds	99	3	13	281	297	57
Corporations, Dom. and Foreign Bonds	273	32	38	50	152	137
Industrials	273	436	842	2,169	1,689	3,762
Financial and Props.	118	159	363	816	706	1,652
Oils	25	36	90	150	150	255
Plantations	1	1	10	3	9	28
Miners	45	54	98	356	269	460
Others	42	81	137	398	381	609
Totals	628	771	1,535	4,230	3,991	6,990

AUTHORISED UNIT TRUSTS

[illegible]

مركز اعتدال

[illegible]

هكذا اعتدوا

LONDON SHARE SERVICE

BRITISH FUNDS

BRITISH FUNDS - Contd

FOREIGN BONDS & RAILS

1967	1967	Price	%	Yield		1967	1967	Price	%	Yield		1967	1967	Price	%	Yield	
High	Low					High	Low					High	Low				
"Swiss" (Lives up to Five Years)																	
1001	1001	77.00	4.34			1001	1001	77.00	4.34			1001	1001	77.00	4.34		
1002	1002	77.00	4.34			1002	1002	77.00	4.34			1002	1002	77.00	4.34		
1003	1003	77.00	4.34			1003	1003	77.00	4.34			1003	1003	77.00	4.34		
1004	1004	77.00	4.34			1004	1004	77.00	4.34			1004	1004	77.00	4.34		
1005	1005	77.00	4.34			1005	1005	77.00	4.34			1005	1005	77.00	4.34		
1006	1006	77.00	4.34			1006	1006	77.00	4.34			1006	1006	77.00	4.34		
1007	1007	77.00	4.34			1007	1007	77.00	4.34			1007	1007	77.00	4.34		
1008	1008	77.00	4.34			1008	1008	77.00	4.34			1008	1008	77.00	4.34		
1009	1009	77.00	4.34			1009	1009	77.00	4.34			1009	1009	77.00	4.34		
1010	1010	77.00	4.34			1010	1010	77.00	4.34			1010	1010	77.00	4.34		
1011	1011	77.00	4.34			1011	1011	77.00	4.34			1011	1011	77.00	4.34		
1012	1012	77.00	4.34			1012	1012	77.00	4.34			1012	1012	77.00	4.34		
1013	1013	77.00	4.34			1013	1013	77.00	4.34			1013	1013	77.00	4.34		
1014	1014	77.00	4.34			1014	1014	77.00	4.34			1014	1014	77.00	4.34		
1015	1015	77.00	4.34			1015	1015	77.00	4.34			1015	1015	77.00	4.34		
1016	1016	77.00	4.34			1016	1016	77.00	4.34			1016	1016	77.00	4.34		
1017	1017	77.00	4.34			1017	1017	77.00	4.34			1017	1017	77.00	4.34		
1018	1018	77.00	4.34			1018	1018	77.00	4.34			1018	1018	77.00	4.34		
1019	1019	77.00	4.34			1019	1019	77.00	4.34			1019	1019	77.00	4.34		
1020	1020	77.00	4.34			1020	1020	77.00	4.34			1020	1020	77.00	4.34		
1021	1021	77.00	4.34			1021	1021	77.00	4.34			1021	1021	77.00	4.34		
1022	1022	77.00	4.34			1022	1022	77.00	4.34			1022	1022	77.00	4.34		
1023	1023	77.00	4.34			1023	1023	77.00	4.34			1023	1023	77.00	4.34		
1024	1024	77.00	4.34			1024	1024	77.00	4.34			1024	1024	77.00	4.34		
1025	1025	77.00	4.34			1025	1025	77.00	4.34			1025	1025	77.00	4.34		
Five to Fifteen Years																	
1026	1026	77.00	4.34			1026	1026	77.00	4.34			1026	1026	77.00	4.34		
1027	1027	77.00	4.34			1027	1027	77.00	4.34			1027	1027	77.00	4.34		
1028	1028	77.00	4.34			1028	1028	77.00	4.34			1028	1028	77.00	4.34		
1029	1029	77.00	4.34			1029	1029	77.00	4.34			1029	1029	77.00	4.34		
1030	1030	77.00	4.34			1030	1030	77.00	4.34			1030	1030	77.00	4.34		
1031	1031	77.00	4.34			1031	1031	77.00	4.34			1031	1031	77.00	4.34		
1032	1032	77.00	4.34			1032	1032	77.00	4.34			1032	1032	77.00	4.34		
1033	1033	77.00	4.34			1033	1033	77.00	4.34			1033	1033	77.00	4.34		
1034	1034	77.00	4.34			1034	1034	77.00	4.34			1034	1034	77.00	4.34		
1035	1035	77.00	4.34			1035	1035	77.00	4.34			1035	1035	77.00	4.34		
1036	1036	77.00	4.34			1036	1036	77.00	4.34			1036	1036	77.00	4.34		
1037	1037	77.00	4.34			1037	1037	77.00	4.34			1037	1037	77.00	4.34		
1038	1038	77.00	4.34			1038	1038	77.00	4.34			1038	1038	77.00	4.34		
1039	1039	77.00	4.34			1039	1039	77.00	4.34			1039	1039	77.00	4.34		
1040	1040	77.00	4.34			1040	1040	77.00	4.34			1040	1040	77.00	4.34		
1041	1041	77.00	4.34			1041	1041	77.00	4.34			1041	1041	77.00	4.34		
1042	1042	77.00	4.34			1042	1042	77.00	4.34			1042	1042	77.00	4.34		
1043	1043	77.00	4.34			1043	1043	77.00	4.34			1043	1043	77.00	4.34		
1044	1044	77.00	4.34			1044	1044	77.00	4.34			1044	1044	77.00	4.34		
1045	1045	77.00	4.34			1045	1045	77.00	4.34			1045	1045	77.00	4.34		
1046	1046	77.00	4.34			1046	1046	77.00	4.34			1046	1046	77.00	4.34		
1047	1047	77.00	4.34			1047	1047	77.00	4.34			1047	1047	77.00	4.34		
1048	1048	77.00	4.34			1048	1048	77.00	4.34			1048	1048	77.00	4.34		
1049	1049	77.00	4.34			1049	1049	77.00	4.34			1049	1049	77.00	4.34		
1050	1050	77.00	4.34			1050	1050	77.00	4.34			1050	1050	77.00	4.34		
1051	1051	77.00	4.34			1051	1051	77.00	4.34			1051	1051	77.00	4.34		
1052	1052	77.00	4.34			1052	1052	77.00	4.34			1052	1052	77.00	4.34		
1053	1053	77.00	4.34			1053	1053	77.00	4.34			1053	1053	77.00	4.34		
1054	1054	77.00	4.34			1054	1054	77.00	4.34			1054	1054	77.00	4.34		
1055	1055	77.00	4.34			1055	1055	77.00	4.34			1055	1055	77.00	4.34		
1056	1056	77.00	4.34			1056	1056	77.00	4.34			1056	1056	77.00	4.34		
1057	1057	77.00	4.34			1057	1057	77.00	4.34			1057	1057	77.00	4.34		
1058	1058	77.00	4.34			1058	1058	77.00	4.34			1058	1058	77.00	4.34		
1059	1059	77.00	4.34			1059	1059	77.00	4.34			1059	1059	77.00	4.34		
1060	1060	77.00	4.34			1060	1060	77.00	4.34			1060	1060	77.00	4.34		
1061	1061	77.00	4.34			1061	1061	77.00	4.34			1061	1061	77.00	4.34		
1062	1062	77.00	4.34			1062	1062	77.00	4.34			1062	1062	77.00	4.34		
1063	1063	77.00	4.34			1063	1063	77.00	4.34			1063	1063	77.00	4.34		
1064	1064	77.00	4.34			1064	1064	77.00	4.34			1064	1064	77.00	4.34		
1065	1065	77.00	4.34			1065	1065	77.00	4.34			1065	1065	77.00	4.34		
1066	1066	77.00	4.34			1066	1066	77.00	4.34			1066	1066	77.00	4.34		
1067	1067	77.00	4.34			1067	1067	77.00	4.34			1067	1067	77.00	4.34		
1068	1068	77.00	4.34			1068	1068	77.00	4.34			1068	1068	77.00	4.34		
1069	1069	77.00	4.34			1069	1069	77.00	4.34			1069	1069	77.00	4.34		
1070	1070	77.00	4.34			1070	1070	77.00	4.34			1070	1070	77.00	4.34		
1071	1071	77.00	4.34			1071	1071	77.00	4.34			1071	1071	77.00	4.34		
1072	1072	77.00	4.34			1072	1072	77.00	4.34			1072	1072	77.00	4.34		
1073	1073	77.00	4.34			1073	1073	77.00	4.34			1073	1073	77.00	4.34		
1074	1074	77.00	4.34			1074	1074	77.00	4.34			1074	1074	77.00	4.34		
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REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latest prices as at 1987-06-25:

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FINANCIAL TIMES

Saturday November 28 1987

TROLLOPE & COLLS
CONSTRUCTION
01-377 2500

Soviet reforms 'to be speeded up'

BY ROBERT MAUTHNER, DIPLOMATIC CORRESPONDENT

PERESTROIKA, the Soviet economic restructuring proclaimed by Mr Mikhail Gorbachev, the Soviet leader, represented a real revolution which would affect the whole fabric of Soviet society. Professor Abel Aganbegyan, Mr Gorbachev's chief economic adviser, said in London yesterday.

"We are changing the stereotype of Soviet thinking," he told a packed auditorium at the Royal Institute of International Affairs at Chatham House, London. The Soviet economist was delivering the first annual public lecture established by the 1987 Anglo-Soviet memorandum of understanding.

Prof Aganbegyan said there would be no slowing down of the process of economic restructuring and "no tinkering" with current bad practices. On the contrary, the Soviet leadership intended to speed up perestroika and move from the stage of words to "large-scale action".

It was the task of the new policy to create the social and economic conditions in which industry could flourish. This required radical changes, particularly in the existing centralised system of economic management, based on an administrative chain of command which repressed democracy and initiative.

Among the reforms outlined by Prof Aganbegyan were the

greater independence of individual enterprises, which would be able to decide on how to use their own profits.

Self-management, self-financing and cost accounting were all important aspects of the new economic policy, as was the creation of a more realistic pricing system. The prices of Soviet products would be reviewed periodically to keep them in line with world prices and the number of centrally set prices would be reduced.

On the currency front, the ultimate aim was to make the ruble convertible. This would be achieved progressively, starting with convertibility against the currencies of other eastern bloc countries and then extending it to capitalist currencies.

In one of the frankest analyses ever delivered by a leading member of the Soviet establishment, Prof Aganbegyan painted a dismal picture of the existing Soviet economic system and its performance over the 15 years preceding Mr Gorbachev's ascent to power.

During three five-year periods from 1971 to 1985 the rate of growth of the national income fell both relatively and absolutely.

There was a period of unprecedented stagnation from 1979 to 1982, during which the output of industrial goods fell by 40 per cent and agricultural production

declined to below its 1978 level. "People's living standards were going down. A pre-crisis situation had developed and something had to be done," he said.

Underlining the deficiencies of past Soviet housing and health policies, Prof Aganbegyan stressed that perestroika entailed not only quantitative but qualitative improvements.

In the past, only "left-overs" from the state budget were allocated to social spending. From now on, the yardstick would be an improvement in people's living standards. It was important that economic reform should not take place in isolation from social considerations.

Gorbachev visit, Page 9

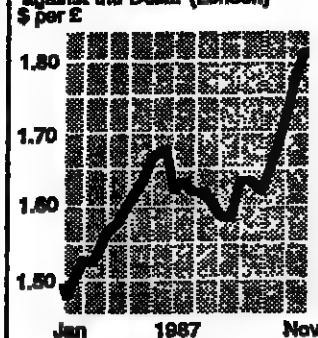
THE LEX COLUMN

A semi-merry Christmas

Christmas is coming, and the retail trade is cocking its ear for the festive jingle of the bells. The extra twist this year comes from the collapse of the stock market in October. If consumer confidence really has been dented, now is the time for it to show through, and more so among the share-owning US population than in the UK. Conversely, it seems to be the other way around.

FT Index fell 6.2 to 1308.2

Sterling against the Dollar (London) \$ per £



the axe this side of Christmas, there could be nasty cutbacks in the New Year.

The dollar has already resumed its downward drift, hitting new lows yesterday against the D-mark and the Yen. The botched nature of the US budget accord has now fully sunk in, and hopes are fading that the Bundesbank might feel obliged to cut German interest rates in response. Meanwhile, US long bond yields have jumped sharply after a fortnight of calm. Far from heading for a recession, the US economy looks as robust as ever, and if an economy with full employment sees its currency depreciate by 10 per cent in a matter of weeks, there is more than a whiff of inflation in the air.

Midland Bank

If Hongkong and Shanghai Banking Corporation is prepared to pay a near one third premium over Midland Bank's current share price to buy a 14.5 per cent stake in Midland Bank, should the latter's shareholders be concerned? Judging by the rumblings in the City over the last fortnight, there is at least one well known institution which is wondering whether it should oppose Midland Bank's efforts to bolster its capital position by taking Hongkong Bank's money.

To the layman, this might seem rather strange. True, Midland Bank is asking its shareholders to waive their priority, or pre-emption rights, to subscribe for a new issue of more than 8 per cent of the bank's equity. On the other hand, Midland Bank would find it impossible to launch yet another rights issue anywhere near the minimum 476p that The Hongkong Bank is prepared to pay.

Until now the pre-emption rights debate has been concentrated on cases of companies selling shares to new shareholders at discounts to market prices. Clearly, the Midland Bank issue, which must be voted on by shareholders next month, does not fit into this category. Nevertheless, there is a potential concern that Midland may be selling a strategic stake in itself too cheaply, since it reduces the possibility of a third party making a takeover bid. This in turn is complicated by the fact that the Bank of England would almost certainly block a hostile bid for Midland. The question which shareholders need to ask is whether the commercial and financial benefits of Midland's Hongkong link more than offset the reduction of any bid premium. Midland has made a good case.

Markets

The London equity market this week has seemed beset by the eye of the storm, with no real indication of where it is headed next. This is partly due to the Thanksgiving holiday on Wall Street, but there is also a sense that fund managers have finished the scramble to re-align their portfolios in the wake of the equity collapse and are now happy to sit on their hands.

The drying up of business is starting to create a real problem for stockbroking firms. Volume yesterday was a fifth of its peak at the time of the crash, and a financial benefits of Midland's Hongkong link more than offset the reduction of any bid premium. Midland has made a good case.

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Maxwell team to keep up attack

By Philip Coggan
BPC, the publishing subsidiary of Maxwell Communication Corporation, yesterday vowed to press ahead with its bid to buy back the 25 per cent stake in Watford Football Club, in spite of the Football League's opposition.

The teams have thus lined up for football's match of the season. On one side, in colours of yellow, white and yellow, is Mr Robert Maxwell, the publisher who now wields the club's interests in Watford, Derby and Oxford respectively; on the other, football's establishment - normally a rather colourless entity.

Mr Maxwell opened the game when he said last week that he would pull out of the deal if the Football League's management committee did not support it. That pledge appeared to have become something of an own goal when, on Thursday, the League not only refused to back the bid but said it would not be desirable for any individual to appear to be in a position of influence in the management of more than one club.

However, Mr Maxwell, after calling the League committee "incompetent, bungling, selfish amateurs" on Thursday night, now appears to have changed his mind. He said he would not be deterred by the opposition and would proceed with the Watford deal, made by the BPC board, in Mr Maxwell's absence, has left the ball firmly in the League's hands.

The League now seems likely to call a meeting of all the 92 football club chairmen to discuss ways of amending the rules to block the BPC bid. However, such a meeting could take three weeks to arrange and would inevitably take place well past the December 5 date by which the Watford deal will be completed.

At the moment, Mr Maxwell and BPC seem to have a large team on their side. Yesterday Mr John Holloran, BPC's chief executive and the new Watford chairman, referred to the help of the board, the manager, the players, the supporters and "the good people of Watford and the surrounding towns".

Background, Page 4

China to allow estate agents as part of economic changes

BY ROBIN PAULLEY AND COLINA MACDOUGALL IN BEIJING

CHINA plans to introduce building societies next year and allow individuals to set up as estate agents as part of a package of radical economic reforms.

The proposals were unveiled by the State Commission for Restructuring the Economy. Mr Song Tingming, director of the commission, said the reforms would also include the creation of four new state investment corporations, the introduction of a 15 per cent construction tax, a 20 per cent levy on low priority construction projects, a general tightening of credit control and the introduction of a two-tier taxation system.

Officials are also considering how best to make the Chinese currency, the Renminbi Yuan, into a fully convertible international currency. Mr Song said: "But I do not expect any major decision in the foreseeable future. I only expect some adjustment of the Renminbi against the US dollar."

The introduction of building societies or "house banks" will start experimentally in 17 large and medium-sized cities. They will mainly be engaged in selling house leases although they will also deal in land leases. Mr Song said the scheme was designed to alleviate China's chronic housing shortage. "For example in Peking each person has on average only six square metres of living space."

The creation of four new investment corporations will end the system of interest-free funding of large national projects. In future, the Ministry of Finance will separate national and local taxes, each tier of government being set free to decide its own budget and to raise taxes to finance it. "A new federal tax is under discussion for next year but nothing has been decided yet," Mr Song said.

In which only one body controls investment," said Mr Song.

The reform will include a twin attack on the overheated construction sector. Construction projects considered unnecessary will have to pay a 15 per cent construction tax. In addition, they will have to spend at least 20 per cent of the total project cost on government issued bonds for the financing of key projects of major national importance. These two proposals will raise the total cost to the developer of unnecessary projects by a third.

Mr Song said: "This should help to control our overheated investment."

The reform of the taxation system will separate national and local taxes, each tier of government being set free to decide its own budget and to raise taxes to finance it. "A new federal tax is under discussion for next year but nothing has been decided yet," Mr Song said.

Funding boost for societies

BY NICK BUNKER

BRITAIN'S building societies are to be allowed greater freedom to turn to wholesale money markets to fund mortgage lending.

From January 1, the maximum amount they can borrow from wholesale sources, such as the Eurocurrency, will rise from 50 per cent to 40 per cent of their total liabilities. The Government said yesterday that it was a "major decision" in the reform of the financial system.

The Building Societies Association warmly welcomed the decision. It had asked for the limit to be raised to 80 per cent.

The BSA has for six months been lobbying the Building Societies Commission, the industry's supervisory body, arguing that the 50 per cent threshold was an unreasonable constraint on financial flexibility.

Mr Tony Stoughton-Harris, BSA chairman, said the Government's move would ensure that societies were not at a competitive disadvantage compared with other mortgage lenders.

Increasing competition for the public's savings has forced many societies to rely more heavily on wholesale money markets.

The Building Societies Commission recommended an increase to 40 per cent, rather than 50 per cent because the higher figure would give societies a better basis for long-term planning.

Amid the euphoria from building societies yesterday, a note of caution was struck by Mr John Ginn, banking analyst with Banque Paribas Capital Markets.

He said he was "very surprised" that the Treasury should allow societies to increase so substantially their exposure to potentially risky wholesale money markets when a recession could increase mortgage defaults and possessions significantly.

Mr Ginn said the 50 per cent limit was a constraint on the operation of only a few societies, but it hindered the planning of many.

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Irish shoot-out Continued from Page 1

tentious clause in the act provides for warrants to be applied against in the Irish High Court if the offences to which they relate are more than three or four years old.

Opening the debate in the Irish Parliament yesterday, Mr Haughey said that he understood that many Irish people were troubled by the changes proposed under the European Convention for the Suppression of Terrorism, which will pass into law next Tuesday. The act being

debated at the moment imposes safeguards in relation to the operation of the convention.

The opposition Labour Party has already expressed its intention to vote against the amendments and, after a hard-hitting speech from Mr Desmond O'Malley, it was clear that the Progressive Democrats would do so also.

Mr Sean Barrett, spokesman for the largest opposition party, Fine Gael, also indicated his party's intention to put down amendments to many sections of the

amended act.

John Haughey added: Mrs Thatcher is disappointed at the modifications that Mr Haughey has proposed for extraditing terrorists from the republic to Northern Ireland.

The Government's view is that the proposals would not improve extradition. The proposals might even make them worse. Britain believes the result will be that extradition cases will continue to get bogged down in the Irish courts.

Granada wins battle for rival

BY NIKKI TAIT

BRITAIN'S first large-scale bid to buy back the 25 per cent stake in Granada Television, the TV and leisure group, agreed higher terms for Electronics Rentals, its Crawley-based rival, whose outlets trade under the Visionhire name.

The new bid, which could give Granada more than 35 per cent of the TV and video rental market, values Electronics Rentals at £26m against £22m under the earlier terms.

Yesterday, Mr David Hurley, ER's managing director - who will become deputy chairman of Granada's TV and video rental and retail division - said the company had felt the new terms represented "a good increase and a good deal for shareholders."

"Obviously, after running an independent company one is personally disappointed, but they think it's a very good deal. It's good that we're one of the City and back in the high street."

Critically, the revised offer has the backing of Philips, the Dutch electronics company which holds

a key 21.8 per cent stake in ER. Earlier, Philips' representative in London, Mr Frans Rijk, had suggested that the Dutch company would back ER's opposition to the bid. Yesterday, however, Philips said that had been persuaded by the higher terms.

Philips, which is a much larger supplier to ER than Granada, stressed the future trading relationship had not been discussed. Under the new terms, it could end up with convertible shares in Granada; given full conversion, these would give Philips about 5 per cent of Granada.

With Philips' 21.8 per cent irrevocably pledged to accept and Granada itself owning 14.5 per cent of its target, 36.3 per cent of ER shares are already in Granada's hands.

The deal still has to overcome a possible monopolies reference, and yesterday the Office of Fair Trading confirmed it was looking at the bid. At present, the rental market comprises three main players - Thorn-EMI with 40-43 per cent, Granada

with about 20 per cent, and ER with under 15 per cent - and the high market share resulting from the merger would normally trigger a reference. Granada, however, maintains that the distinction between rental and retail markets is eroding. In the combined rental/retail sector, the Granada/ER share reduces to under 20 per cent.

Yesterday, Granada said it was too early to assess the rationalisation which will follow from the bid. Granada takes in about 620 outlets, and ER 450; analysts have suggested that the merger as one fifth of these could be combined.

Under the revised terms, ER shareholders are offered one Granada 7.5 per cent convertible preference share and 66p in cash for every two ER. With Granada at 283p, its advisers were valuing the convertibles at 104.3p, making the offer worth 56p a share.

Yesterday shares in ER edged up to 78p on news of the higher offer.

Continued from Page 1

City worried

In the Eurobond market new issue activity has shrunk to its lowest level in years, despite the rally in international bond markets.

In London the dollar closed at DM1.6540, compared with DM1.6495 on Thursday and at Y133.65 compared with Y134.55 previously.

The pound closed at DM2.9960, unchanged from the previous day and the Bank of England's trade weighted sterling index closed at 76, up from 76.7.



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CHIEF LONDON PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISE	FALL
Anchor Chemical 630 + 15	Victor Products 193 + 13
Bass 811 + 15	Welcome 382 + 15
Biotechnology Int. 111 + 15	
Chamberlain & Hill 111 + 15	
Delta Group 222 + 9 1/2	
Edith 238 + 10	
Electric Rentals 63 + 10	
Kwik Save 292 + 10	
Leigh Interests 177 + 13	
Messy Cold Units 368 + 15	
Pearl Group 345 + 10	
Scott & Newcastle 222 + 11	
Sherraton Secs. 63 + 13	
Siehe 284 + 15	
Tate & Lyle 701 + 34	

WORLDWIDE WEATHER

Year	Month	Day	Temp	Wind	Cloud	Humid	Pres	Visib	Notes
Ames	C	10	54	10	10	10	10	10	
Ames	C	11	54	10	10	10	10	10	
Ames	C	12	54	10	10	10	10	10	
Ames	C	13	54	10	10	10	10	10	
Ames	C	14	54	10	10	10	10	10	
Ames	C	15	54	10	10	10	10	10	
Ames	C	16	54	10	10	10	10	10	
Ames	C	17	54	10	10	10	10	10	
Ames	C	18	54	10	10	10	10	10	
Ames	C	19	54	10	10	10	10	10	
Ames	C	20	54	10	10	10	10	10	
Ames	C	21	54	10	10	10	10	10	
Ames	C	22	54	10	10	10	10	10	
Ames	C	23	54	10	10	10	10	10	
Ames	C	24	54	10	10	10	10	10	
Ames	C	25	54	10	10	10	10	10	
Ames	C	26	54	10	10	10	10	10	
Ames	C	27	54	10	10	10	10	10	
Ames	C	28	54	10	10	10	10	10	
Ames	C	29	54	10	10	10	10	10	
Ames	C	30	54	10	10	10	10	10	
Ames	C	31	54	10	10	10	10	10	

C-Cloud, D-Dist, F-Fog, G-Gale, H-Hail, N-Night, S-Snow, SS-Sleet, SW-Swift, T-Thunder, T-Tide, W-Wind, Y-Yellow

† Base 800 temperature

WEEKEND FT

Saturday 28/Sunday 29 November 1987

MARKETS • FINANCE & THE FAMILY • PROPERTY • TRAVEL • MOTORING • DIVERSIONS • HOW TO SPEND IT • BOOKS • ARTS • TV

STAR WARS

"SORBET!" said the waiter. "Sorry, sorbet's off. We have a problem with the machine. Desolefina, coffee? I am afraid we do not serve it." I tensed forward in my seat as a flicker of irritation appeared on the face of my guest. Yet it vanished in a millisecond, unnoticed by the waiter or by anyone else.

As hardships go, a lack of sorbet and coffee do not loom large on a cosmic scale. Worse things can happen. Yet this meal was different, for I was sitting in a Michelin one-starred restaurant in the centre of London at the cross-roads of the world - privileged (by definition) and cocooned (you would have thought) in a micro-world of pleasure where wonderful things are served to you with precision and panache.

What was more, the guest sitting opposite me was a man from the shadows. Unheralded and anonymous, he moves mysteriously but with speed through some of the most rarified strata of the high-life scene, a maker of fortunes and reputations, a wielder of power - in short, the one man in Britain who really should be served a sorbet whenever such a fancy fills across his mind: the Michelin chief inspector.

The Michelin chief inspector for Britain is 44-year-old Derek Brown who is slim and bespectacled and who eats his food with relish, flourishing his cutlery like a high-priced surgeon. (I will give you no more clues. You would not spot him anyway, for he is a man of deep "tradecraft".) Chief inspector Brown is head of Michelin's UK tourism department, editor of its publications and the leader of an eight-man inspectorate that eats its way round Britain checking good restaurants for the Michelin Red Guide, whose appearance each January, and its awarding of stars, stir fanfare and trepidation.

After all, much is at stake. Fortunes can be won and lost on Michelin's say-so for Michelin's stars are emblems of great merit: coveted and fought for. Nico Ladenis, one of Britain's tiny handful of two-star chefs, says that his life's ambition is to conquer the "mountain of excellence" - three Michelin stars, "because 'great restaurants are held together by this terrifying symbol'".

Outside the star system, Britain is still a world showcase for dreadful food and cooking. When the food we get publicly isn't spit-tastically horrendous or flung on cardboard plates in fast food outlets it can be hysterically pretentious, for we pluck stray ideas from France and debase and demean them as rapidly as possible.

Michael Smith, an authority on English food and cooking, says that on the whole we treat our tourists well because we need their money. Yet we resent their presence and their funny accents. "Above all we resent the effort entailed in providing them with decent food." He says that we feed our visitors (and ourselves) on a diet of French food, Italian food, Greek, Chinese, Japanese, German, Austrian, Indian, Danish, Thai, Indonesian, Turkish, Armenian, Jewish, Arab, Mexican. "Yet in the greatest capital city in the world you would be hard put to count on your ten fingers anywhere offering an award-winning selection of national (English) dishes. And where among the thousands of restaurants in this city of over 12m people is there one serving Scottish, Irish or Welsh food?"

At the present rate of progress it may be a century or more before British food and restaurant taken as a whole, even start to rival our achievements in the other performing arts. Yet standards are improving.

slowly and perceptibly, at least at the apex as measured by Michelin. Mystery and nebulousness cloud the Michelin star system. Let me try to dispel them.

To begin with, Michelin stars in Britain are scarcely more numerous than gold sovereigns on an orphanage Christmas tree. The 1987 Red Guide for Britain and Ireland lists only 13 one-star restaurants in London, three two-stars (The Terrace, La Tante Claire and Simply Nice), and one three-star (Le Gavroche). Total firepower in the capital: 22 stars. Away from London there is one three-star restaurant (Waterside Inn at Bray-on-Thames), one two-star (Le Manoir aux Quat'Saisons, outside Oxford), and 20 one-stars including two in Scotland and three in Ireland. Total provincial firepower: 26 stars. Combined British and Irish star-power: just 47 twinkles, a minute fraction of that in France, though France, of course, is civilised, with thousands more good restaurants.

Michelin first awarded stars in Britain and Ireland in 1974, when 24 restaurants won a single star. By 1980 the firepower

At the highest level, as assessed by Michelin, British food and cooking is certainly improving. But how does the star system work? What are the pressures on a top chef or patron? To find out, Michael Thompson-Noel met a man from the shadows: the chief inspector of Michelin.

had risen to 36 stars. Only four restaurants have held stars uninterrupted: Le Gavroche and the Connaught in London, Waterside Inn, and the Box Tree at Ilkley. In 1977 these four became Britain's first two-star restaurants. Le Gavroche was awarded its third star in 1982 and the Waterside Inn its third in 1985, though the Connaught was relegated back to one-star status in 1982 and the Box Tree ditto in 1987. Quite a few restaurants have held stars for only one or two years before fading or folding, for the pressures on a star-chef or patron can be titanic.

"We may be slow to award stars initially," says chief inspector Brown, "but we move with alacrity when taking them away. We must have eaten in 10,000 to 12,000 establishments over the last 15 years, for we visit every restaurant that would be of interest to our guide."

The inspectors' average age is 50. All are British, all are from the hotel industry and all have cooked and managed restaurants. They spend two weeks on the road, lunch and dinner every day, and one week in the office, preparing their reports. They keep this up for 10 months out of 12, moving round continually. It takes a Michelin inspector six months to eat his way round Britain. When an inspector's job is advertised Michelin has to sift through 400 applications.

The inspectors visit restaurants anonymously and Michelin pays all bills. In return for this labour of love Michelin sells 50,000 copies of its UK Red Guide in Britain plus another 40,000 overseas (it

costs \$6.75) compared with sales of 700,000 worldwide for the French guide. All up, Michelin is France's sixth largest publisher by weight-of-paper, though its guides and maps represent only a tiny fraction of turnover for what is the world's second largest tyre company.

Naturally the Michelin inspectors hover like blowflies when a restaurant is on the brink of stardom, or about to go nova, or in danger of disappearing down its own black hole. "Restaurants that are candidates for a star can be seen as many as ten times in a year," says chief inspector Brown, "with lengthy reports written after each visit. Then there is a series of meetings with the final one lasting three days to decide the awarding of stars. If we've been to a restaurant 10 times we expect 95 per cent of all the food to be of star quality. We're after consistency. We don't think there is room for error in our system." Brown himself, who has worked in the hotel industry, cooked for two years, ran a restaurant, worked as a wine waiter abroad, ran hotels in the West Country and joined Michelin 16 years ago as a food inspector.

Who defines standards? "There is an attempt to achieve uniform standards throughout Europe," he says. "In a sense the industry sets its own standards. We don't look for something that doesn't exist. Inspectors have periods in other countries to see what's going on. Standards come from France, but we don't have a book of French instructions saying this is how you judge a starred restaurant. An Englishman could just as easily go to Spain and evaluate Spanish cooking."

Although Michelin's celestial system occasionally inspires controversy among outsiders, it is regarded with respect by those who have joined the elite. "A lot of people," says the chief inspector, "ask us what they have to do to get a star. And we say: that's not what you're in business for. There's no point cooking one-star food and having an empty restaurant. Your ambition should be to satisfy your customers and then think of accolades."

To break into the star system takes artistry and energy and great balls of cash. It is estimated that to establish a three-star restaurant in London would cost over £1m. Even a one-star restaurant in central London probably signifies an investment of at least £250,000, though the magnitude of the start-up cost depends on whether or not a freehold is purchased. The chef and the cooking are all-important, yet ambience and comfort are certainly weighed in the equation. At the two-star level, let alone three, a restaurateur is likely to have spent mightily on decor, furnishings, porcelain, cutlery, glassware and so on.

Initially, star candidates are appraised on numerous key points: is the menu interesting? The food seasonal and very fresh? The dishes prepared and cooked properly? The ingredients compatible? Does the presentation show flair? Is the service professional or too intrusive? The tableware scrupulously clean? The cutlery correct? "At the two-star level," says the chief inspector, "there must be more elaboration in terms of depth of cooking - and no mistakes. Everything must be beautifully made using the very best ingredients. Three stars is another dimension again."

Vincent Calcerano is proprietor of the one-star Ritz in London's Chelsea district. The chef is Gunther Schlander and there is a sleeping partner, John McTaggart, who owns 80 per cent of the



shares). Calcerano claims that it is harder to win stars in Britain than in France or Belgium, a view shared by some of his rivals but certainly not by all. "In the last two years in London 35 to 40 restaurants have sought to join the top league, but many are tourist traps. We've spent nearly £1m in four years on two refurbishments (the figure includes the freehold). This restaurant is pure luxury. It cannot make large profits."

At L'Arléquin (one star, Queenstown Road, Battersea) chef-patron Christian Delteil says that there is a clear difference between one and two stars, less of a gap from two to three. "I have a budget for a second star," he says manfully. A year ago the Restaurant Sunbury in St James's Street, London, became the first Japanese restaurant in the world to win a Michelin star, and the picture is bleak for American-style service. "Ladenis adds that his own decision to open in Reading was a catastrophe: "It rained the whole year we were there. I was in a permanent state of amazement at the expectations of certain customers."

The man that Ladenis regards as the "giant of the London scene" is Pierre Koffmann, chef-patron at La Tante Claire (two stars, Royal Hospital Road, Chelsea) who is certainly amusing. Koffmann has spent almost \$400,000 on his restaurant. "Is a lot of money. Now I've got the bank manager to think of." He says that he reserves 60 per cent of his places for English people because they are his best customers. "Aperitif. Bottle of white. Bottle of red. Digestif. Very good and jolly. Americans ask for a dry martini, salad, steak."

To move from two stars to three is the unique achievement (so far) of the Roux brothers, Albert and Michel, who have used their extraordinary gifts to build a span-gled empire. Albert owns 100 per cent of Le

1,000 sq ft, 18 staff including my wife and daughter. On a turnover of £14,000 to £15,000 a week including VAT, my net profit is 6 to 7 per cent. At our first restaurant in 1973 we charged £2 for two. In 1987 we charge £90 for two, but our profit margins were higher all those years ago."

They are feted and admired, and have an army of chef-disciples, many of them English, fanning out through Britain. Albert says that the Michelin system in Britain is "100 per cent similar to the French system. It is a bible. People have committed suicide when they've lost a star." Would the sickening of world stock markets cramp the Roux style? "I do not believe so. If they announced that an atomic bomb would fall on London tomorrow there would be long queues at Le Gavroche because people would wish to end in beauty."

"The top of the market is always the last to die. There are different kinds of money. No doubt we will sell fewer £700 bottles of wine. But we will not see a fall in our bookings." He says that Britain is a "child" where eating is concerned: that the leap in standards at the apex is "only the beginning."

For one restaurant, though, it could be farewell, for at the end of my meal with Michelin chief inspector Brown I asked him how he had enjoyed the show. He became crisp and serious. "It's hot in here," he said, "and we're all jammed close together. The cooking was careless, not all of a piece. That sauce I had was greasy. The chablis they gave me was not the year listed. Did you happen to notice that? And the service was too positive, verging on the aggressive." He did not look very pleased.

Gavroche (my \$55 per head for dinner), Michel 100 per cent of Waterside Inn, while their holding company, Roux Restaurants (turnover: \$10m-ish) fosters Le Poulbot, Le Gamin, Gavvren, Roud Britannia, No 3 Sydney Street, Fortysix Park Street (an apartment-hotel), and so on.

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On the pavement outside, as he headed back into the shadows, I could see Christmas lights gleaming. Dazzled by their glare, a Michelin star was fading in the cinder-black night.

The Long View

Bearing up to a matter of costs

A READER was alarmed to discover recently that the management expenses of her unit trust amounted to some 20 per cent of its income - an alarmingly high proportion, she considered.

Now, it stands to reason that, if equities yield only 4.5 per cent in the UK, 3.7 per cent in the US and 0.6 per cent in Japan, figures which were actually much lower before the market crash, there is not much of a cushion against costs. The average annual management charge on UK trusts alone is now around 1 per cent (it used to be 0.5 per cent a few years ago), although you can argue that this is more in the nature of a charge against capital than against income.

And here is the rub, for the long bull market, with its juicy returns, has distracted attention from the tedious question of costs. What does 1 per cent or 2 per cent matter when you can earn 30 per cent or 40 per cent? Yet costs do have a detectable impact, especially if you are one of those niggling people who insist on comparing investment returns with an underlying market index and refuse to be satisfied by the absolute figures.

The median UK general unit trust has underperformed the FT All-Share Index by 1.5 per cent a year over the past ten years, according to figures produced by the Unit Trust Association. On the other hand, that same median fund has returned an average 21 per cent a year, including net dividend income, up to the flattening date of October 1, 1987. This compares with a miserable 8 per cent on a building society term account, so who is complaining?

Even after the crash the ten-year average annual return is still, at a guess, around 17 per cent, but the future looks a good deal less rosy. In the very long run a return of more than 5 or 6 per cent above inflation is unlikely and in the shorter term there would be a considerable downside if the world economy were to move into recession.

The percentage charged for managing unit trusts is likely to come under closer scrutiny now the euphoria of the bull market has gone, says Barry Riley



All this is provoking a great deal of heart-searching and budget-crunching among the investment community. Fund managers have been riding a very profitable rollercoaster upwards, with their incomes geared to the level of the bull market. In the year to the end of September the UK equity market rose by more than 50 per cent. Now the first stomach-wrenching dip has come - you could almost hear the squeals - and

there could be more downswings and tight corners ahead before the car clatters back to the start of the drought.

The financial services industry is very fond of living off percentages. When markets are going up, as they do most of the time, incomes rise automatically and everybody gets paid more - some times much more - for doing the same job. The clients rarely complain because they are doing well, too. Everybody is happy.

The crunch comes when markets drop. Investment managers suddenly receive "x" per cent a lot less. In fact the impact has not been all that severe on a year-on-year basis, because the UK equity market is still a little higher than it was twelve months ago; but the difference between 1988 budgets drawn up in, say, September and the current revised versions will be severe.

Financial intermediaries face the same problem. Switching a client out of a UK unit trust into the Hong Kong fund a few months ago will have earned a fat commission. Switching back again at lower levels after the crash will have been much less remunerative and the client is unlikely to have been very pleased with the net result.

Traditional stockbrokers have been used to surviving booms and slumps. Their partners and staff have accepted huge variations in incomes from time to time and have been prepared to work all hours in bull markets while taking it easy during the slumps. Whether the newer breed of securities firms created because of Big Bang will prove so flexible is not yet clear. They are capital intensive in a way that the old agency brokers never were.

That there is plenty of room for belt tightening in the City of London is not in doubt. If champagne bars begin to put up the shutters the clients of the investment industry will have few objections.

More uncertain are the implications of the substantial pay-fortunes lost by many senior managers in listed companies. Six weeks ago their executive stock options were worth six or seven figures, now, with share prices of GT, MAM or Britannia Arrow halved or worse, they may be worth nothing. Will they roll up their sleeves or sink into depression? And there is a real risk that a bear phase, if pro-

longed, could create instability which would certainly not be in the interests of users of the markets. Dozens of unit trust companies face a squeeze which could force them into mergers, hundreds, maybe thousands of small firms of intermediaries are entering the first serious bear market they have experienced, at the very time that their financial affairs are being closely scrutinised by the new breed of regulators.

It is not as though high quality investment advice is somehow less important or valuable in hard times: quite the reverse. The theory is that your regular adviser or manager will continue to provide good service through thick and thin, even if his remuneration is scant at times. Well, we shall see.

Certainly fund managers are reluctant to approach clients with requests for higher fees in difficult periods when those clients have suffered recent losses and may be considering withdrawing their money in any case. A demand for extra charges could be the last straw. So although, for example, many unit trusts with newer-style trusts deeds reserve the right to raise their annual charges (sometimes to as high as 2 per cent) subject only to giving three months' notice to unitholders, they will be nervous about doing so until the investment outlook seems clearer.

It could be uncomfortable for the City but in fact a burst of intensified competition will be no bad thing. In the absence of sales messages rather than typed notices to unitholders, they will be increasingly looking at the value for money they are being offered.

Who knows, lower charges might even become part of the sales message rather than typed up short-term performance. It's not only investors who can do the saving.

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Dow Jones Industrial Average

Year	Index Value (Approximate)
1997	7,000
1998	8,000
1999	9,000

Yet nothing very much has changed over the week: it ended just as it began, with worries over the US currency. Friday opened in London with another record of recent times - the dol-

Dominick Coyle

such a rise in interest rates would remove one of the underpinnings supporting the present trading range in the stockmarket.

On their own, higher interest rates might not be sufficient to induce the possible reassessment which the stock market has begun to forget about. But income from stocks would once again begin to trail behind the rate of return on bonds.

What is more serious is the possibility that the bond market's increase about the strength of the US economy might be wrong.

By over-reacting to the indications about growth in the next few months, and forgetting about the inevitable lags between the stock market and the economy, the primary consequence, bond investors could paralyse the Fed in its

Monday 1923.08 + 8.45
Tuesday 1963.53 + 40.45
Wednesday 1946.88
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Friday

Anatole Kaletsky

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Fiona Thompson asks who would have won during the crash

The race that beat the bears

"A VERY difficult question," said Allan Henderson of Edinburgh stockbrokers Bell Lawrie, which, with its £14,088 profit, bore the ignominy of coming bottom in last year's Holborn Great Investment Race, where six teams of fund managers competed to raise money for charity.

The query was: What would you have done had the world stock markets crashed?

As it was, the year-long race ran through a roaring bull market and raised \$778,856, each team investing a portfolio initially worth \$25,000. The contest ended on September 23, just 26 days short of Black Monday, October 19.

The Bell Lawrie team had managed its race portfolio as it would for a private client wanting high growth: pursuing a cautious policy of investment in UK equities. It suffered when, mid-way, it sold some shares to chance its luck in the traded options market, with no great success.

"If the race had been, say, two weeks short of the finish, we would have sold the lot and placed the cash on deposit. Anything else would have been gambling," said Henderson. "If there were two months to go, we would have considered going back into quality equities - such as Cannon Street, Argyle Group, Beecham Group, Scottish & Newcastle Breweries, B&N - with convertibles as a slight hedge."

Fidelity, the fund management group, came second in the race, making \$210,246, with its tactic of opportunistic investment in equities, mainly in the Far East. After quadrupling the value of its portfolio by the half way stage, it adopted a more conservative approach for the second

half. "By then, we just wanted to hang on to the money made," said Anthony Bolton, "and this would have been our position in the crash. Our policy throughout had been to keep most of our portfolio in cash - so we could take advantage of opportunities - and by the final fortnight we had only 20 per cent in stocks."

"On the Monday and Tuesday of the crash we probably wouldn't have done anything, just watched. Then I like to think we would have closed up shop and sold into cash. The sums achieved were so big, relative to what we'd started with, that we felt preserving the money for charity was vital."

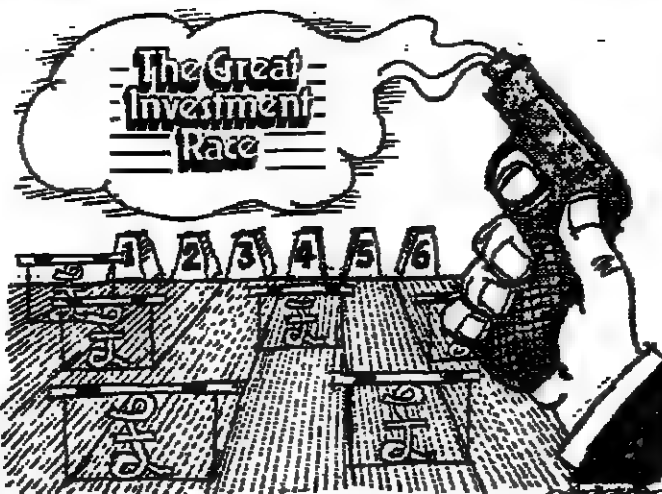
Messel, the London broker who was part of the Shearson Lehman group, would also have adopted a wait and see approach in the early days of the crash, according to David Hunter.

"When you have a shock, you must let the dust settle. We would not have done anything for two weeks, at least until the BP issue was settled. We were already fairly liquid anyway."

Messel came fourth in the race, earning \$48,598, with a portfolio split between equities and financial futures. Overall, it prospered in futures, though it did miss the pound in the summer.

"If the race was still on, we would be buying Australian and Canadian gold shares, which are now very cheap. I think the disharmony between central bankers is such that they will have to return to the gold standard."

Peter Clark at London stockbroker Hoare Govett is adamant about what his team would have done. "If the race had just had two weeks left to run, we would have sold everything on this day



Trevor Pullen: sell and buy back

the market crashed and put it on deposit. We wouldn't have tried to be clever and hold, we wouldn't have waited for a bounce."

Hoare came third with \$143,502. After a slow start it surged in the second half with highly speculative equity investments, particularly in small UK property companies and the secondary market in Australia.

"We didn't hold that many stocks by the closing stages," said Clark, but said that if the end of the race had still been some way off when the market crashed, "we would have trimmed our portfolio and bought some 'put' options as an insurance policy."

Kenichi Fukuhara at Nomura, the largest securities house in Japan, invested only in blue chip equities in the Tokyo stock market during the race, producing \$17,065. He says that the crash happened mid-race he would not have sold any of his equities, which were mainly electrical utilities and steel stocks.

His cash position was quite high, about 40 per cent, towards the end of the race and Fukuhara says he would have used some of this buying stocks with a high foreign (non-Japanese) ownership, such as Yamanouchi Pharmaceuticals or Toyokado, a retail stock.

Trevor Pullen of Prudential Portfolio Managers, the seaway winners whose speedy dealing in futures and speculative equities trading yielded \$344,226, said his team would not have sold its equities if the race finish was two weeks off.

"But, if it were longer, weakness in price would have forced us to liquidate," he says. "However, this itself could have brought problems. We would have tried to liquidate, but some of the stocks we were in were so thin that we would have been caught."

However, the team's mastery of the futures market would have allowed it to hedge out the market risk, says Pullen. "We would have used our expertise to sell and then buy back."

The starting date of the new Great Investment Race, and the accompanying FT Readers' Race, will be announced shortly.

Cheaper home loans

CHELTEHAM & Gloucester Building Society threw a new figure into the mortgage melting pot this week by deciding to cut its home loan rate by 1.25 to 10 per cent. This is the lowest figure announced by any building society in the current round of home loan reductions.

However, Cheltenham & Gloucester has delayed implementing the new rate for both new and existing borrowers until January 4.

Other mortgages are being cut from December 1. Last week Abbey National reduced its rate to 10.1 per cent, but several other building societies are following the Halifax lead in going down to 10.3 per cent. Nationwide Anglia, the third biggest society, Bradford & Bingley, Cheshire and Town & Country have all plumped for 10.3. However, Bristol & West, Britannia and National & Provincial have moved to 10.25 per cent, so it may be some time before a common standard mortgage rate emerges.

The United Bank of Kuwait has reduced its variable home loan rate to 10 per cent and its Libor (London Interbank Offered Rate) mortgage is likely to be even cheaper when it is next fixed on January 1.

Cannon Lincoln and London & Manchester have both cut their rates to 10.2 per cent, but the most competitive so far remains the Nationwide Anglia at 9.9 per cent. Allied Dunbar Home Loans are all down by one per cent and you can now secure an interest-only mortgage of over £75,000 at a rate of only 9.75 per cent.

Meanwhile the bad news is that both Abbey National and the Halifax have moved swiftly to cut the rates paid on investments.

John Edwards

Eric Short looks at post-crash mortgage options

Fixed rate revival

WHEN I took out my first mortgage nearly 30 years ago from a life company, the interest rate was fixed throughout the term of the mortgage and I had the choice of repaying the mortgage by either non-profit endowment or a full with profits contract.

However, during the intervening period, the low cost endowment has not only appeared on the scene, but has taken over the traditional endowment mortgage. Rising interest rates brought to an end the fixed rate throughout the term.

For the uninitiated, a non-profit endowment is one where the life company guarantees to pay a fixed sum at maturity or earlier death, but the policy

holder receives no share whatever in the investment and other profits of the life company.

Mortgage arrangements such as this were, I thought, as dead as the Dodo. But I was wrong. This week I received a press release from Wait-Martin, a financial planning firm based in Kingston, Surrey, offering a new risk-free endowment mortgage - a scheme that was exactly the type of my first mortgage.

Subsequent inquiries showed that fixed rate mortgages, repaid by non-profit endowments, have been available for certain sources throughout the years, though keeping a very low profile.

However, the recent stock market collapse has brought the con-

cept out into the open. Housebuyers using the endowment mortgage method have panicked over the possibility of their contract not being able to repay the mortgage.

A recent article in these columns showed that such fears were very much premature. But according to Michael Martin, a partner of Wait-Martin, some housebuyers are seeking complete guarantees from their endowment contract and are attracted to the idea of an interest rate fixed throughout the term of the mortgage.

Eagle Star Group is one source of such endowment mortgages. Currently, its fixed rate is 10 per cent, not competitive in current conditions when variable rates are getting down to this level and likely to fall further.

With interest and mortgage rates tending downwards, the cost of such mortgages looks unattractive compared with with-profit low-cost endowments and the normal repayment. But the rate, which is determined by long-term gilt rates, is under review.

However, for housebuyers looking for ultimate security, the price to be paid is illustrated in the accompanying table.

NET MONTHLY PAYMENTS FOR A BASIC RATE TAXPAYER AGED 34, £30,000 MORTGAGE, OVER 25 YEARS AT 10%			
	Non-Profit Low Cost Endowment £	Life Cover £	Repayment mortgage £
Interest payments	182.50	182.50	220.36
Endowment premium	68.50	37.40	Life cover premium 8.28
Total Cost	251.00	220.10	Total Cost 228.64

At 11% per cent interest, the net monthly payment would be £262.51 and the weekly repayment cost £294.75.

Source: Eagle Star.

Back to bonds

The stock market crash is likely to change UK investors' attitudes to bonds, reports John Edwards

SUDDENLY, surprise surprise, bonds are back in favour. The week two groups who were in the forefront of selling equity-based unit trusts to the public have decided that, perhaps, bonds are a more appropriate vehicle now for your money.

Berry Bateman, managing director of Fidelity, which is launching an International Bond Trust today, forecasts that after the stock market crash investors' attitudes will change towards bonds. He notes that in the US, bonds represented some 36 per cent (pre-crash) of private investors' portfolios, whereas in Britain the percentage was only 3 per cent.

He adds that the possibility of a slowdown in world growth, falling interest rates and low global inflation make bonds an increasingly attractive proposition.

Estimated starting yield of the new trust will be around 7 per cent gross, which Fidelity claims provides an alternative to building society higher interest accounts. However, the initial

charge of 5.25 per cent, plus annual fees of one per cent, is high for a bond fund, which in any event is not tax efficient for a UK authorised trust.

The unranked income, which is subject to corporation tax, cannot be passed in the same way as it is with franked income, such as equity dividends.

Prudential Holborn is adopting a different approach. It is launching two new managed, single premium investment bonds which until the crash were considered to be inferior to unit trusts because of the tax liability.

Now the attitude has changed in view of the advantages of managed bonds in being able to invest in non-equity vehicles as well as such as property, fixed interest securities and cash.

The Pru's two funds, Holborn Strategic Growth and Holborn Balanced Growth, will offer a choice of investment styles. The Strategic fund will adopt an aggressive approach and therefore be more risky, while the Balanced Fund will be more conservative.

Minimum investment in either bond is a hefty £2,500. Applications before January 3 will qualify for a 3.5 per cent bonus allocation extra units, dropping to 2.5 per cent until the offer period ends on January 23.

Small is shaky

SMALLER companies have suffered most from the stock market crash. This is not surprising since they outperformed their bigger brethren during the first nine months of the year and attracted a great deal of speculative support from investors.

Now, all that has changed. The expectation is that when, or if, the market rallies buying interest will be concentrated on the "big, safe," blue chip stocks and the smaller companies will take much longer to recover.

Nothing daunted, Windsor Trust sees this as an ideal moment to launch a Smaller Companies Trust. Fund manager, Simon Baker, thinks it is a good time to buy, with price earnings ratios (p/e) at a much reduced level, even though the short-term outlook is none too bright.

The fund will restrict investment to companies with a maximum market capitalisation of £150m but will be biased towards those with a capitalisation of under £50m. In the initial portfolio the largest company is Burgess, electrical appliance manufacturers with a capitalisation of around £80m, and a p/e ratio of only 6.7. Smallest is Lawtex, clothes and umbrella manufacturer with a capitalisation of £3m and a p/e of 8.2.

Windsor has established a good track record for its four existing unit trusts, although its star performing property share fund launched in May has recently suffered a battering. Units in the new fund are on offer at a fixed price of 50p until December 11.

There is the normal five per cent initial charge and a one per cent annual management fee. Minimum investment is £500.

Canadian venture

THE WORLDWIDE stock market crash brought marketing operations in the unit trust industry to a shuddering halt. It takes a brave marketing manager to launch a new trust under present conditions.

However, the Canadian Imperial Bank of Commerce is not just launching a new fund on Monday - a UK Growth Fund. It is entering the uncharted waters of a new company.

CIBC is no stranger to the UK investment scene or even collective investments. With its acquisition last year of stockbrokers Grenfell & Co. (Grange), CIBC Investment Management now has more than 5,000 clients - private individuals, charities and pension funds - and an established investment reputation and record.

Now it is extending its investment operations into the field of unit trusts to meet the demands of the smaller investor, with the formation of a new company CIBC Unit Trust Managers.

Trevor Cooke, managing director of CIBC Investment Management, considers that the timing is right. Indeed, the launch has been planned for some time, but it was felt that markets were too high.

Now says Trevor Cooke, the October correction makes the launch much more attractive in terms of value for money.

The first fund is a UK Growth Fund and CIBC feel that the UK equity market still has much going for it. In contrast to the pre-crash euphoric style of launches, CIBC will adopt a low key approach. Its target is to attract a modest £5m in the launch period. However, other funds are planned for 1988 to build up a full range.

Minimum investment is £500. The charges are 5 per cent initially - approximately 5.5 per cent allowing for rounding up - and 1 per cent renewal.

Eric Short

FIDELITY INTERNATIONAL BOND TRUST

Now, no portfolio is complete without bonds.

NEW TRUST LAUNCH

The recent falls in world equity markets have really shown the importance of a balanced portfolio which should include some lower risk securities.

Whilst equities have, in the long-term, generally produced higher returns, there are periods when reassessment of your investment strategy is essential and fixed interest securities - i.e. bonds - can be used successfully to complement your equity portfolio.

We believe such a time has come and so, this weekend, we have launched the new Fidelity International Bond Trust.

The aim of the Trust is to provide investors with a high level of income, plus long-term capital growth from an international portfolio of Government bonds and other quality fixed interest securities.

The missing element.

Whereas in most other countries - like the U.S.A., Japan and in Europe - investors have always considered bonds to be an integral part of a balanced portfolio, U.K. investors have all but ignored the benefits of bonds to their cost.

Remember, bonds not only offer a high level of income (7% in the case of Fidelity International Bond Trust) but also real prospects of capital growth if interest rates continue their downward trends. With an international portfolio of bonds, currency gains may also be achieved.

Since equity markets fell six weeks ago, professional investors around the world have been increasing their exposure to bonds. We expect this to continue over the coming months as more investors recognise the advantages of taking a more balanced approach to their investments.

IMPORTANT INFORMATION FOR ALL INVESTORS

Please note that if you purchase units by telephone, you should be aware that the deal made will be legally binding and will require immediate settlement. A contract for your application will normally be sent within 4 working days. Unit certificates will normally be sent within 15 working days of completion of settlement. The estimated starting gross yield for the Fidelity International Bond Trust is 7.25% at the fixed offer price of 25p per unit until 4th December 1987. Thereafter units may be bought at the current daily offer price. Units may be sold on any day at the bid price ruling. You will receive a cheque within 7 working days of your receiving your unit certificate. The Trust will pay distributions (accumulated by a tax voucher) on 31 May (at 21 April), 31 August (at 21 July), 31 November (at 21 October) and 28/29 February (at 21 Jan) each year. An initial charge of 5.25% is included in the offer price of units out of which the Managers may pay you commission on qualified intermediaries. Rates are available upon request. The Trust pays annual charges on the Management of income (or capital if there is insufficient income) of 1% plus VAT of the value of the fund. The Managers have the right to change this fee to a maximum of 2% on giving not less than 3 months notice to unit holders. The Trust does not exercise power for the Managers and Trustees, by supplemental deed without sanction of a meeting of unit holders, to take power to use currency futures and forward currency contracts as hedging techniques, should these be permitted by the Department of Trade and Industry, to make changes to permit purchases or sales from or to persons connected with the Managers or the Trustees and to make changes to the terms of the deed current implementing for authorised unit areas. Check your investment prices and yields daily in The Financial Times, Daily Telegraph, Oracle page 774 and on Personal Finance, Thursday, 28/11/87. Managers: Fidelity Investment Services Limited, Registered Office: Three Watlington, Watlington, Oxford OX9 1UP. Registered Company Number: 2012944. The Trust is a wide range investment as defined by the Trustee Investment Act 1964 and is authorised by the Department of Trade and Industry. Member of the Unit Trust Association. Offer is open to United States citizens, residents of the United States or the Republic of Ireland.

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If your portfolio doesn't include bonds, don't delay. Now's the time to act to make your investments work harder. To invest in Fidelity International Bond Trust, please contact your professional adviser who already has full details of this new Trust and can help you decide how much you should invest. Alternatively, simply send the coupon, together with your cheque, to Fidelity or call Fidelity today to discuss this new investment opportunity. We're open 7 days a week between 9 a.m. and 9 p.m., so you can call us when it suits you.

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Following the recent market fall, seasoned investors may appreciate that this could be a good time to invest in unit trusts.

Invest a little time finding out a lot more.

(Past performance is not necessarily a guide to future performance.)

THE INITIAL SUCCESS CONTINUES

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St Peter's Port, Guernsey: will it stay a safe haven?

Offshore storms

Barry Riley looks at legislation which may hit island investment

IF YOU are a mainland investor with holdings of Channel Island-based funds, or are thinking of putting money into such vehicles, look out for the possible impact of Britain's Financial Services Act next April.

The Channel Islands, along with the Isle of Man and one or two other offshore financial centres which do significant UK business, are desperately negotiating to avoid being cast adrift by the mainland when the new investor protection laws come into force.

New rules applying to offshore funds could have the following effect:

- Open-ended offshore investment companies at present listed on the London Stock Exchange, and which thereby gain certain mainland marketing privileges, will lose access to the UK market and will be liable to be stripped of their quotations.
- Listings of offshore funds in newspapers such as the FT will be subject to new, tougher restrictions and publishing telephone numbers and addresses is likely to be banned.
- It will continue to be illegal to advertise such funds in the UK but in addition mainland intermediaries will not be able to advise clients (whether on the mainland or offshore) to invest.

However, much depends on whether Jersey, Guernsey and other centres are "designated" under the terms of Section 87 of the Financial Services Act. The signs are that eventually they will be, and that in fact the mainland authorities are being co-operative. But the trouble is that time is running out.

With not much more than four months to go, Channel Islands fund managers fear a descent into a "black hole" during which they would become more or less invisible on the mainland. The hiatus could last for months.

A similar predicament awaits offshore life assurance companies which are dealt with by a different section of the Department of Trade and Industry and are covered by a separate provision of the Act.

Section 130 also sets out the process of designation of a country or territory, which the Secretary of State must be satisfied offers insurance laws which give "adequate protection" to policyholders against the risk of companies falling to meet their liabilities.

This is a little different to Section 87, which says more specifically that collective investment

schemes (which can be unit trusts or open-ended investment companies) must be operated under investor protection laws at least equivalent to the new UK provisions.

But it is much more complicated than this, as anxious offshore fund promoters are finding as they run up hefty legal bills in the process of threading their way through the legislative tangle.

European Community-based funds, for instance, can sneak in under cover of Section 86, as required by new Community-wide legislation to demolish national barriers to the marketing of financial services. This is of no value to the Channel Islands, which have chosen to be outside the EC, but it creates new opportunities for Luxembourg-based funds - and is one reason why there is currently a huge queue of new funds awaiting approval in the Grand Duchy.

Finally there is Section 88, which provides a route for individual funds to obtain authorisation. Under this provision, schemes must prove that they provide "adequate protection" to the participants. But it is not clear how this section could be applied, and there is certainly no bureaucratic mechanism for giving individual clearance to hundreds of offshore funds by next April.

The offshore centres are being forced into something of a corner. They know they have to refine their legislation - Jersey, for instance, is in the process of rushing through new laws for collective investment schemes - but the full details of the regulations of the UK's Securities and Investments Board have not yet been worked out, and may not be until February. So how can the offshore jurisdictions provide rules "equivalent"

to mainland provisions which have not yet been defined?

The answer, it seems, is "with difficulty." Moreover there are divisions of opinion in centres like Jersey because by no means all offshore fund management groups want to market funds on the mainland. This is sometimes because they have no mainland marketing networks, but it may also be because they are reluctant to compete with UK parent companies.

All the same, there is sizeable business currently being done in Channel Island bond funds on the mainland, and many Jersey fund managers are planning to designate UK-category funds which would be earmarked for approval by the mainland regulators.

"We don't want to lose a market for any fund," says Richard Wilkinson, managing director of MIM Britannia International and chairman of the Jersey Fund Managers Association. But he suggests that when the rules and conditions are finally spelt out managers are going to have to decide whether UK recognition is worthwhile for any particular fund.

Meanwhile, offshore groups are particularly annoyed that mainland intermediaries could be totally prevented from selling their products even when they are acting for overseas clients. The whole process of marketing investment products to UK expatriates could be forced offshore, so that an individual spending a few years overseas would not be able to carry on using his familiar UK adviser.

There is still a lot to play for in the next few months. But just to be on the safe side, mainland investors in offshore funds are advised to note down the addresses and telephone numbers of the managers. From next April they may not be able to look them up in the FT.

Telecom bonus

BRITISH TELECOM shareholders who chose the share bonus rather than the telephone bill vouchers, will finally get their reward on November 30. They will receive one free share (up to a maximum of 400) for every 10 shares that have been held continuously since the privatisation three years ago in November 1984.

The additional shares, which will come out of the Government's 48.7 per cent stake in the company, will qualify for the interim dividend which is expected to be paid in February.

The share bonus will not be subject to income tax or capital gains tax immediately. However, the shares will be treated for

capital gains tax purposes as if they were acquired at market value on November 30. So if the price recovers to its previous peak of over 300p, holders could face an additional capital gains tax liability, but rather less than the profit on the original shares issued at 150p. There are very complicated rules laid down by the Inland Revenue to deal with the tax liability on shares bought at different prices.

But few of the 900,000 shareholders who opted to receive the bonus shares are likely to exceed the 56,600 annual exemption from capital gains tax.

John Edwards

John Edwards finds a PEP scheme for the brave or foolhardy

If you don't mind risks...

YOUR LAST chance to take out a 1987 PEP scheme will seem a hollow sales message during the next few days for many investors nursing heavy losses after the stock market crash. But Commercial Union evidently believes the British public is made of sterner stuff.

It has just announced the launch of two new PEP schemes, one of which is designed to appeal to the especially brave, or foolhardy, investor. Called the Special Situations Plan it will be even riskier than the normal PEP in that there will be no investment in unit trusts to help spread the risk. What is more the policy will be to trade in only a few shares at a time - rarely more than a maximum of three - very actively, possibly buying and selling within one account period or even one day. Investments will also be in non-blue chip companies.

Commercial Union says this aggressive policy will "take advantage of the opportunities presented by today's volatile markets". But it will need all the group's expertise, and possibly a large slice of luck, to offset the extra charges and risks involved in such a policy.

The group also introduced a new version of its Managed PEP introduced at the beginning of the year. The new plan will follow the same investment philosophy of holding the maximum permitted amount in unit trusts, with the remainder being invested in cash deposits and blue chip shares. What has changed is the charging structure, which has been simplified.

The new managed PEP has an initial charge of 2 per cent, plus a one per cent annual fee and dealing commission of 0.5 per cent. There is no rebate on the purchase of unit trusts within the plan, so there is an element of double charging. However, the 2 per cent initial charge is competitive. There is a similar charging structure for the Special Situations PEP, except that the initial charge is higher at 5 per cent.

Commercial Union is making special offers to anyone investing in one of the plans before December 15. If you invest in a 1987 PEP before that date you will receive a 1 per cent bonus, equal to £24 on the maximum investment of £2,400. If you take out a 1988 version, before December 15, you receive a 2 per cent bonus.

Bradford & Bingley is offering a special 20 per cent interest rate during December only on investments made in its 1988 Enterprise or Blue Chip PEPs. You only get the higher rate of interest if your money is invested in one of the 1988 plans. If you withdraw your investment before January 1 the interest rate falls to 7.5 per cent.

So far this year Bradford & Bingley estimates that it has captured about 8 per cent of the total PEPs market by selling some 15,000 of its 1987 Blue Chip plan.

Next year it will introduce a more adventurous (and risky) scheme called Enterprise PEP investing in fast growing or underdeveloped areas. Investment in the Enterprise PEP will be confined to a lump sum of £2,400 and it will be, at best, pretty costly. Initial charges are 5 per cent, plus VAT, in the first year with 0.75 per cent of the value of the fund being charged every six months. Stamp duty and brokerage are extra.

While Barclays' basic charges are not particularly competitive, compared with market leaders Lloyds Banks, it does have a maximum ceiling on share dealing costs.

If you want to make a comparison of the different schemes available London intermediaries Chase de Vere Investments provides details of 145 PEP schemes in its latest PEPguide, published this week. It costs £2.

Not so well publicised yet is how the PEP schemes have fared since Black Monday, October 19, on the stock markets. Burdened with heavy extra administrative charges and restrictions on investments, PEP schemes are already at a considerable disadvantage to similar forms of small limited investment vehicles.

Many of them tried to overcome the costs problem by restricting investments to only a few selected shares - a risky policy at the best of times. So some PEP schemes, which plumped for particularly vulnerable shares, are likely to have suffered even more severe losses than the average downturn of some 30 per cent in the UK stock market.

Whatever the investment pol-



Meanwhile the bank claims that it makes even better sense, after the market crash, to take out a 1987 PEP while you can to take advantage of the tax concessions for this year. It plans to invest PEP funds in BP partly paid stock since the tax-free concession will be particularly suitable for a stock with such a high initial yield. At basic rate taxation there is the prospect of a £130 tax saving in the first year of investment alone.

In response to an inquiry from an FT reader in Manchester, the Inland Revenue confirmed this week that losses suffered on a PEP plan could be offset against capital gains tax in the 1987/88 tax year if the holder withdrew from a PEP plan.

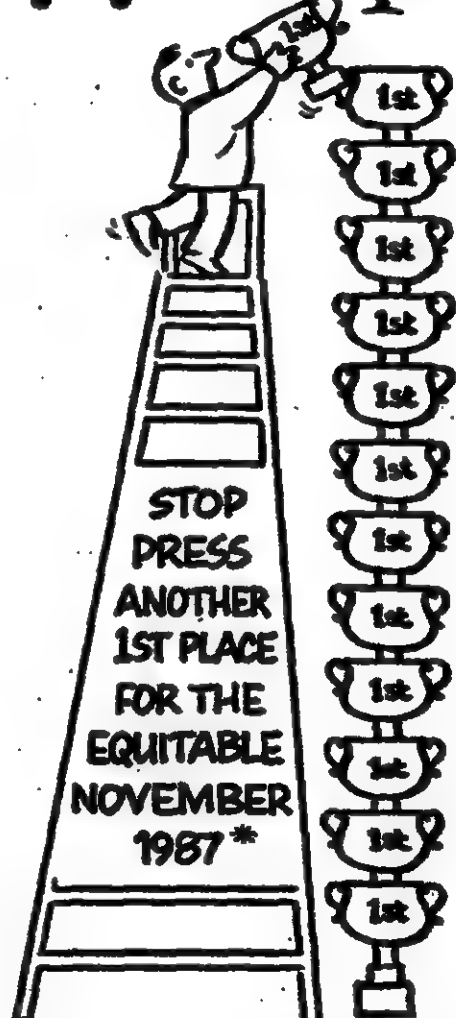
The reader asked two questions, following the halving of the value of his PEP plan from £2,400 to £1,200.

a) If he discontinued the PEP could the shares be transferred to his own name rather than be reduced to cash immediately thereby providing the opportunity for a tax loss later in the 1987/88 tax year?

b) Can a new PEP be taken out for 1987 to build up from a lower base?

The answer to a) is a straightforward no, according to the Inland Revenue. Only one plan is permitted to be taken out in any one year. The answer to b) is more complicated. You remain the beneficial owner of the shares bought on your behalf under the PEP plan even if you decide to withdraw from the scheme, so you can retain the shares. However, you only establish a capital gains tax loss when the shares are sold, so you could bed and breakfast them. But by withdrawing early you lose any previous tax concessions, including the payment of tax-free dividends and interest, and the plan manager may also charge you a withdrawal fee.

Which company would you buy your pension from?



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For the past 14 years Planned Savings magazine has surveyed regular contribution with profits pension policies for the self-employed. Of the 25 tables published for 10, 15 and 20 year terms, The Equitable has come top in 13 and second in 6 more. An unrivalled achievement.

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The Equitable has one of the finest investment teams in the United Kingdom and currently manages more than £3bn on behalf of its clients.

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So if you want the best in Pension Plans, just write to The Equitable Life Assurance Society, FREEPOST, Walton St, Aylesbury, Buckinghamshire HP21 7BR or call us direct on 0296 262226.

*20 year regular contribution with profits policy - Planned Savings Survey November 1987.



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fund over 100 years

SPECIAL EDITION

Star

THE SUN RISES IN THE WEST:

Goldstar opens the first Korean factory in Germany.

On NOVEMBER 25, 1987 the second Goldstar factory outside of Korea is going to be opened in Worms. The first was founded in the

USA in 1981, and it is now producing 1.0 million color televisions and 300,000 microwave ovens every year. The foundation stone of the Goldstar Europe plant in Worms was

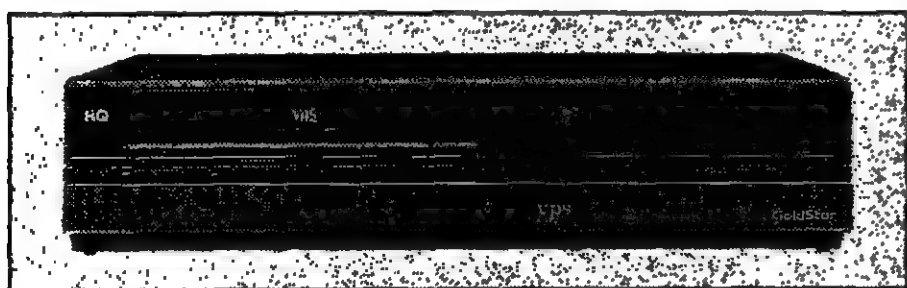
laid in autumn of 1986. The quality of the Goldstar VCRs and color televisions which are going to be produced here is acknowledged to be among the world's best. The result is a

perfect combination: Asian high-tech, made in Germany. All things considered, it can hardly be regarded as a coincidence that the plant is being opened on the 100th anniversary of the introduction of the designation "Made in Germany" - which has since come to be regarded as a mark of superlative quality the world over. >>>

Superlative Asian Technology. Made in Germany.

The 500 German employees of the Goldstar plant in Worms will be taking great care to ensure that every single one of the VCRs and

color televisions produced comes up to the exacting standards which one has come to expect from high-tech German products. >>>



The Quiet Giant: THE LUCKY-GOLDSTAR GROUP.

THE LUCKY-GOLDSTAR GROUP is one of the largest and most successful of all the Korean corporations, accounting for more than 10% of the exports of the nation as a whole. With its 150,000 employees, the group's total annual

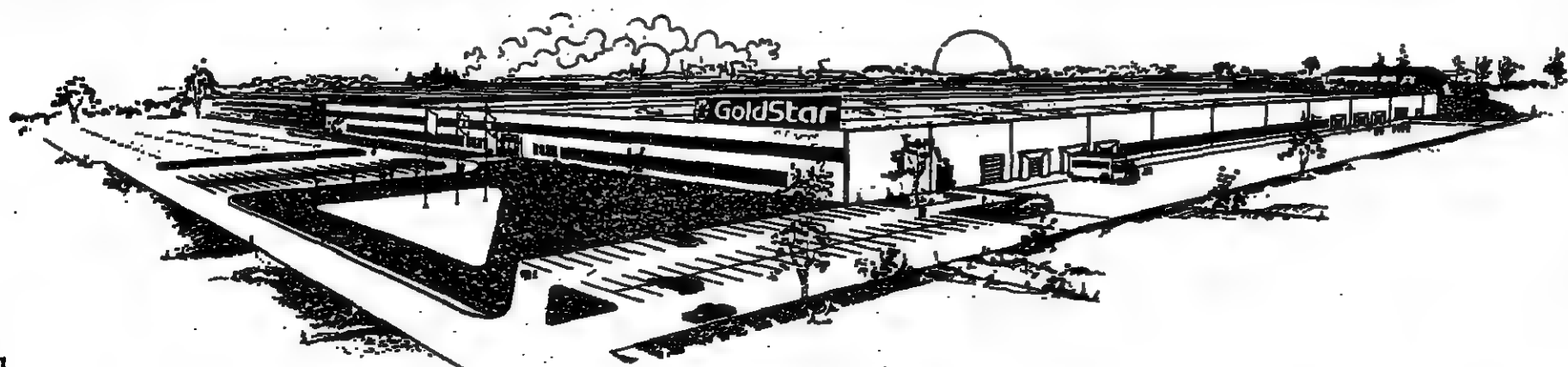
turnover comes to around 15 billion US dollars. The group comprises 32 subsidiaries, operating in a very wide range of different fields - in chemical industry, in energy and resources industry, in electric and electronics industry, in

finances and others. GoldStar Co. Ltd., which specializes in computer and communication, consumer electric and electronic products, electronic devices and components, is the largest of all these subsidiaries. >>>

Great Works.

Everything about the new works to be inaugurated in

Worms on November 25 is impressive. Completed in a mere 12 months, Goldstar's European factory for the production of VCRs and color televisions is 20,000 square meters in area, located on a 100,000 square meter site. The investment of the factory has a volume of 67 million marks, a one-hundred percent Goldstar investment. ■



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TRAVEL • MOTORING •

David Walker visits Europe's most secretive country, which has recently opened its doors to tourists. Guarded welcome for Albania's new invaders



A street scene in Tirana, capital of Europe's poorest country: the city proves more fascinating than attractive.

IN THE central square in Tirana a policeman in blue uniform blows a whistle and pedestrians vaguely at groups of pedestrians. He is on point duty - but there is no traffic. Ever. Just an occasional overcrowded bus or ancient lorry belching fumes, or cyclist or two weaving slowly through the crowds on foot, and the odd horse-drawn vehicle.

A few hundred yards away, by the city's central park, two sets of traffic lights go ridiculously through their multi-lit act, complete with cross/don't cross signs for pedestrians. They need not bother for this is Albania, where the private car is banned.

Albania is Europe's poorest country and eastern Europe's smallest, with a population of 3m. And it has traditionally been one of Europe's most closed societies. In the last 40 years, however, since the death of Enver Hoxha, in power since 1944 and the Communist world's longest serving leader - a feat achieved in part by a vicious regime of forced labour camps for political dissidents - there has been a certain amount of opening up.

An existing trickle of tourism is being allowed to grow slowly, not, your Albanian guide will soon tell you in impeccable English, as a means of earning foreign currency, but to promote international peace and stability. The wariness of foreigners is apparent at every moment. The countryside, fought over by different invaders throughout the last millennium, is covered in the directions by concrete pillars, while the towns are full of posters urging the people to maintain vigilance in pursuit of the revolution.

The frontier crossing from Yugoslavia, desolate and ill-lit, immediately appears to confirm one's worst suspicions about the country. Our group of 35, armed in the dark and achieved relatively perfunctory exit through the Yugoslav customs house. The bus which had brought us from Thessaloniki turned back, for no 'vehicular traffic' allowed through by the Albanians.

We walked 50 yards down a virtually unlit road to a great

wire fence with a single gate on which swung the one bright light anywhere. Passports were minutely scrutinised, faces checked carefully against photographs on the group visa. It was all done with absolute courtesy, even a few smiles. But that was not enough to eradicate the air of menace.

After the passport check we passed through the barrier, up crumbling steps to a decrepit customs house with immigration and customs forms to fill in. There were no queues, but Money? Drugs? Cameras? Who invited us? What were our fathers' names?

A lone bottle of English gin looked forlornly out of a glass display case built under a set of stairs. A sign suggested they led to a cafe, but there was never any such thing here. Alongside the gin were half-a-dozen bottles of Albanian brandy and a handful of Albanian-made sausages.

The forms were handed in, every suitcase opened, and books scrutinised, with at least one travelogue on Albania published in the West confiscated, to be returned on its owner's exit from the country. Such pillars of rectitude as the Daily Telegraph and Financial Times were checked for pornography, but judged not to contain any and therefore suitable for importing.

And we were through, with our English courier and two Albanian guides, to see a four-night tour of this most secretive of European countries. It is not an attractive country. There is no night life, no attractive art or cafes in which to sit and enjoy the balmy autumn evening, but the fascination of being able to walk around streets few western Europeans have been in has an appeal of its own. And you are free to stroll where you will, unaccompanied by guides, and to take photographs provided that you avoid military installations and the soldiers were everywhere.

Our first visit was to the ancient city of Shkoder, reached at night after a drive during

which until bicycles formed frequent hazards along with the occasional flock of sheep and horse- or bullock-drawn wagon; vast horries hurried towards us with much bellowing.

Shkoder was typical of the towns along the northern plain of what is a largely mountainous country. Dominated by modern but crumbling concrete buildings, it also possesses a shopping street which can have changed little since the days of the Otto-

man, with attractive balconied buildings and elegant street. On a warm October Friday evening the street was alive with people.

Shkoder is dominated by its ancient castle guarding the lake and river into Montenegro, its walls covered with blue flowers, the inevitable slogan in praise of Enver Hoxha and the Party at its summit. Just below it is a mosque, one of the few left standing when religion was officially abolished in the early

Special notice: this week, the Grand Hotel, East Berlin

Champagne socialism



Touch of Class

NOTHING prepares one for Eastern Europe's most luxurious hotel.

At Checkpoint Charlie crossing point in the Berlin Wall a suspicious West German article in the Financial Times and a West Berlin newspaper and disappears into a side room. He re-emerges with the papers a few minutes later, however, apparently satisfied they are for my eyes only.

Carrying our bags - no taxis at the wall - my wife and I crudge through East Berlin's best security, Friedrichstrasse, which is one vast construction site. From some distance we can make out our weekend hideaway in East Berlin, the Grand Hotel. Financed by the Japanese and built by the Swedes, the imposing post-modern building stands at the corner of Friedrichstrasse and Unter den Linden, the pre-war heart of Berlin.

For a mere DM 80, hotel guests do arrive at the Grand Hotel. West Berliners are spared the border controls. They are met by the hotel's Volvo limousine and are whisked through the wall with a minimum of formalities.

Obedient to German customs which expect the Grand's occupancy rate to climb well above the 36 per cent level it stood at shortly after opening last August, the hotel's management is anxious to attract senior and middle ranking executives from Western Europe, Japan, the US and the Middle East.

The pool turns out to be as empty as the rest of the hotel. As for the Grand's Friedrichstrasse, which expects the Grand's occupancy rate to climb well above the 36 per cent level it stood at shortly after opening last August, the hotel's management is anxious to attract senior and middle ranking executives from Western Europe, Japan, the US and the Middle East.

It's cocktail time but instead of nuts we are served Kultur with our drinks. An organist plays Bach in the hunting-style Diana Room before a roaring fire. In a major faux pas I try paying for the drinks with East German currency, the sight of which evokes a somewhat pained expression from the waiter. Ever so discreetly, he informs me I will have to pay in 'convertible currency' as this is a 'Devien' (hard currency) hotel. In short, East German currency is verbiage even for tipping in this hotel.

Mr Froehlich assures us that the Grand Hotel is '100 per cent Socialist'. He explains that the 'outward appearance and form' may be the same as in the West but that the earnings are distributed differently. We have dinner in the hotel's Silhouette Restaurant which offers Malmedy Beluga caviare at DM 94 and a 1976 Chateau

Petrus Pomerol for DM 790. The view, though, clashes with the luxurious ambience. It is out to a peeling wall advertising the Democratic Peasants Federation. But the service is excellent here and throughout the Grand. East Germany has a top flight hotel lobby in Leipzig and only the most successful graduates make it to the best hotels.

But what does a jaded businessman do in East Berlin in the evening. There's plenty of good opera and theatre but night life tends to be low key. Those who seek the fleshpots must insist on a multiple entry visa so that they can visit West Berlin and get back to their hotel in the morning.

The Grand has several special programmes available including a tour of the lakes and waterways in East Berlin on the hotel's yacht as well as excursions to Dresden and Meissen. We take our own tour though and on returning to the Grand a hotel employee approaches in the lobby to inform us in German that we cannot go upstairs. It's embarrassing all right but on learning that we are hotel guests she excuses herself profusely. The incident is a reminder that although Westerners are given red carpet treatment here, East Germans with their soft Marks are not.

Grand Hotel, Friedrichstrasse 155-164, DDR - Berlin 1000
Telephone 30 22 20
Telex 11-5198 Grako DD
Leslie Collett

Stuart Marshall reports on 25 years of Car magazine, the first motoring publication to tread on the toes of the major manufacturers

BREAKING THE mould has become a tired old political cliché, but it describes what Car magazine did to specialist motoring publishing. Until Car came on the scene 25 years ago in 1962, the weekly and monthly journals tended to be more defunct than critical, though they were not as bad as they had been ten years earlier.

Perhaps it was all due to the shortage of cars in the post war period. In the early 1960s the British manufacturers could have sold every car they produced several times over. Waiting lists were counted in years, not months. Discounts were unheard of and imports as scarce as the domestic product.

Critical road tests of almost unobtainable products would have horrified magazine advertisers. The British manufacturers could have sold every car they produced several times over. Waiting lists were counted in years, not months. Discounts were unheard of and imports as scarce as the domestic product.

performance was wonderful, though some features were even better than the others. I used to buy 'Autocar' every week then. I can still recall the surprise when I read its road test of the first Vauxhall Victor. Some readers may remember the car. It had chromium plated bumpers on the bumper, a knee-cracking wrap around windscreen and body sides that appeared to have been inexpertly repaired after a nasty accident. It was a car no honest observer could have been being rude about and 'Autocar', by the standards of that time and to its everlasting credit, saved it. The shock waves have rumbled around Luton for months.

That, I suppose, was 20 years ago. To the best of my recollection the article was a one-off. It certainly did not start an immediate trend for wars and all reporting on new products in the establishment motoring weeklies.

For that kind of no-holds-barred writing one had to buy 'Motor Sport'. Largely the work of one man, Bill Boddy, it had many eccentricities. An article might start on page 13, be continued on page 23 and end on page three. Design was nonexistent. The pages were grey slabs of small type, unrelieved by cross heads or even breaks for paragraphs.

It was a dreadful publication to read, but the quality of the

writing made the effort worthwhile. Motor Sport's account of Sirirling Moss's win in the 1961 Miglia, written by Dennis Jenkinson, who rode in the car with him, is the finest thing of its kind I have ever read. Its editor had a long love affair with the VW Beetle, later discarded in favour of the Mini.

Manufacturers whose products were criticised regularly withdrew their advertising and Motor Sport published their letters for all to see. When 'Car' magazine burst on the scene it started in the way in which it meant to

continue, raising hackles and gaining readers by being outspoken.

It was - and is - produced on a shoestring by a small organisation and has been edited for most of its life by a succession of young men, mainly Australians, who bubble with enthusiasm for all things four-wheeled.

They go over the top now and again with six-page pieces on 'drives from Italy to England in impractical and irrelevant machines like the Lamborghini Countach, against which not a

breath of criticism is made. Its contributors are idiosyncratic to a man but they are fun and mainly a pleasure to read.

'Car's' tendency to yell scoldy every month it publishes fuzzy snatched pictures of still secret new models can grate a bit now and then. But its habit of printing all the facts it can get hold of, plus some intelligent guesses, about forthcoming products of the world's motor industry makes for good reading and raised blood pressure in some boardrooms. I have no doubt. Its graphic design and creative

photography have been universally admired and as widely imitated, which may pose a long term threat. 'Autocar', for example, now with an ex-'Car' editor at its helm, is starting to look like a weekly edition of 'Car' itself, though it lacks its mentor's style.

Will 'Car' and for that matter many other motoring magazines, survive the next quarter century? I suppose the sporting, rallying, classic car and do-it-yourself enthusiasts will always have to be catered for. But equally, more and more of today's motorists care little for the cars they drive except that they be comfortable and trouble free. Are they the sort to buy specialist motoring magazines regularly, if at all?

I doubt it, though the buyer's guide type of monthly publication seems to have good prospects. The average car user may buy only one copy a year to see what is available, but they add up to a bigger potential market than all the motoring enthusiasts added together.



REVISED versions of the Peugeot 206 - the 52 first-door is pictured - go on sale next month without any price increase. Since its launch in 1983 more than 2m have been made. New

petrol engines in most models are lighter, more powerful and easier to maintain and the interiors have been revamped. The 17 different models range in price from £4,745 for a fairly basic 964

cc, four-speed XE three-door to £10,680 for a pretty complete. Over 25 per cent of all 206s sold in Britain are diesels, which is about four times the national average.

House or a home?

Is it possible for a retired person who is not a UK citizen, not a UK resident and has domicile outside the UK to own a house/flat in the UK used for, say, three months a year for holiday purposes without incurring liability for UK income tax? My reading of I220 suggests that this is not possible but if so it would appear to be at variance with practice elsewhere in the EEC. And would any liability so incurred refer to the whole of that person's income during the tax year or only that part accruing in the period of his stay in the UK?

The answer to your first question is no, as you expected from reading I220. The UK tax liability would apply for the whole of each UK tax year - income and capital gains - but the assessments (on the remittance basis) might be partly based on the preceding year's remittance and the effects of dual residence might be mitigated by a double taxation agreement with the taxpayer's home country, for example. Tax systems within the EC are still a long way from harmonisation, unfortunately.

Survival clauses

My wife and I are both 60 and have two married daughters. The tenancy of our house is already held as 'Tenants in Common' and both our wills stipulate that the monies go to the survivors and then to the daughters. There is a 30-day survival clause written into the wills and a Deed of Variation is also lodged with the wills.

To reduce Inheritance Tax, it is necessary to write into the wills that, on the death of either of us, one half is left to our daughters or can that be achieved by the use of the Deed of Variation after the first death? Would the same answer also apply if both of us were killed in a car crash?

It is not clear from your letter whether your wills provide for the testator's share in the house to pass to the survivor or only for other assets to do so. For Inheritance Tax purposes it is better if the share of the first to die goes to the children straight away. It is also unclear what provision is made by the Deed of Variation to which you refer. The 30-day clause is designed to avoid the problems resulting from simultaneous or near-simultaneous deaths.

Inherited values

Please put me out of my misery! I have a question regarding the valuation of shares for inheritance tax. The deceased died just before the recent share price collapse. Share valuation for granting of probate is based on price ruling on the day of death.

Must the final reckoning of inheritance tax be based on the above only or on the amount actually realised?



No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

when the shares are sold (or transferred to a legatee), provided this occurs within one year of death?

Inheritance tax liability is to be calculated on the value as at the date of death. A transfer after a fall in the market will avoid capital gains tax.

Growing problem

I live in a bungalow with access to the road up a concrete track owned by the house at the end of the track. There is one other cottage along it. Opposite is a field and the farmer who runs this is responsible for cattle. He has done so, but no action. He has been heard to remark that he cannot cut it because it is now too tall. The track is narrow and the hedge will soon prevent access.

Is there anything we can do? Does the landowner of the field have responsibility if his tenant fails to cut the hedge?

Unless there is an express grant to you of right of way in terms which state that the tenant owner must keep the hedge trimmed - which is most unlikely - the responsibility for making or keeping the access road passable rests with the dominant owner, i.e. those who wish to exercise their right of access. You cannot therefore require the servant owner or his tenant to trim the hedge.

Untimely delay

I purchased 1000 shares in British Gas on privatisation, of which I have the certificate. On June 30 1987 I decided to increase my holdings to 3000, so I instructed my bank to purchase 1000 shares (of which I received the contract notes) for settlement July 30 1987, the cost being debited to my account on July 21 1987. At the time of writing - October 17 - I am still not in receipt of the share certificate. For these 1000 shares.

I received the dividend voucher early in October 1987, but noted a discrepancy in my share certificate for these 1000 shares. At my bank's request I returned the dividend voucher to them to sort out this discrepancy.

I have heard that Big Bang share valuation for granting of probate is based on price ruling on the day of death.

Must the final reckoning of inheritance tax be based on the above only or on the amount actually realised?

The delay is longer than it should have been. If the bank does not procure the regularisation of the position promptly you should refer the matter to the surveillance section of the London Stock Exchange.

BRIDGE

THE BRIDGE world has been impoverished by the death of Lewis Ellison. He was a great player, highly respected and a very close friend of mine. We played together in London and in various parts of the world. We start with a rubber from a London club.

At game all Lewis dealt in the South seat and bid one spade. West overcalled with two diamonds. I passed, and East said three hearts. South now rebid three hearts. West passed, and I raised to four hearts. After two passes West's double brought the auction to an end.

West opened with the ace of diamonds, which was ruffed in hand, and declarer returned a spade, finessing the knave on the table. When this held, he led dummy's five of diamonds and ruffed, returned to the ace of spades, and ruffed a third diamond. Now my partner cashed his ace of clubs - this was important, for West was clearly short in clubs, and if he held singleton, it might be fatal to give him the chance of discarding it. Then the spade queen was played. West ruffed with his queen of hearts, on which dummy let go a club, and returned a heart to the ace, now singleton.

The contract was at this point secure, for dummy's three trumps were masters, but Lewis led the 10 of spades, and when West ruffed, three dummy's last diamond. He claimed the three hearts and conceded one club. My partner was pretty sure that West held five trumps and

planned a dummy reversal from trick one. He made seven trump tricks, two spades and one club. We fly to Portugal for Open Pairs.

With neither side vulnerable, North dealt and after two passes South bid one no trump. I doubled with the West cards, and everyone passed. North might have bid two clubs over my double, but surely South should have rescued himself with two diamonds. Perhaps he thought we looked easy most of the time.

I opened with the eight of hearts, the queen won, the two was returned to the 10 and knave, and a third heart cleared my suit. On this trick Lewis threw the eight of spades, and when the club king was played, which I captured at once, he followed with the three. I ran my three hearts, on the first of which Lewis threw his two of clubs, and on the second the five. Now I knew that the club suit was a frozen asset - it was blocked - so at trick eight I was able to lead a low spade. Dummy's knave was played, East won with the 10, which I could duck without fear. The king won, and a diamond was returned to the dummy. Lewis won with his ace, switched to the two of spades, allowing me to make nine and ace and beat the contract by four tricks.

How pleasant to play with a partner who makes things easy for you.

E P C Cotter

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Towards the Marches

HEREFORD HAS never been a very country county. The lack of really big estates has meant that there are few families that seem to have been there forever, so the locals are friendly and it's easy to fit in.

Phillipa Keeble is an enthusiastic promoter of the border country of Hereford and Worcester. An income here herself - although, unlike most of her customers at Knight Frank & Rutley's office in Hereford, she is from Yorkshire rather than the south east - Keeble is on firm ground when she argues that Hereford is still better value than Gloucestershire. People looking for a country house are much more likely to find a fine house with five or six bedrooms and a bit of land for £200,000 or so here.

The extra miles from London help explain much of the price gap. As the fastest rail service from Hereford to London is a full three hours it is beyond any rational daily commuting range.

There are a few people from the far more accessible business centres of the West Midlands moving in. Colin MacKenzie, regional director of Hampton & Sons' West Country Region, says that, apart from the buyers seeking second homes and those able to work from home, there are now a large number of regular commuters to the Birmingham conurbation, so it is not only those working in Central London who are prepared to commute in order to enjoy the benefits of living in a rural environment.

Hereford is no suburb, but neither is it as remote as many London-bound people imagine. Completion of the M50 from Here-on-Wye has linked the border country with the M5 and opened up a broad stretch of previously hard-to-get-to countryside, and since the InterCity rail services have cut travelling times between London and Newport to around 90 minutes, Hereford incomes who still need to make a run to London can do so after a pleasant enough drive south through the tourist country of the Forest of Dean.

That said, the number of London exiles bidding for homes in the area is surprising, given the distances and travelling times involved. So who are they?

In Keeble's experience, "there are a lot of people who have retired early who are selling up in the south east and moving to a better house here, but there are also a surprising number of families with children, where they seem to be able to carry on with businesses in London quite easily."

Agents say there have been a fair few suitors among the professional people among the new generation of Hereford homeowners, as well as business peo-

ple using computer links to cut down the number of days they need to be physically based in offices in or nearer to London. Phillipa Keeble has seen "lots of vaguely arty people. It seems that you don't have to live in a garret anymore."

There are also a number of people looking for the good life, people who get a goat and who have dramatic plans for the vegetable garden. One other reason for a relatively restricted price range for country homes is that neither Hereford nor Worcester have as many grand country houses as southern neighbours "royal" Gloucester.

"Most country house buyers are looking for properties in the £150,000 to £250,000 price range," says Phillipa Keeble.

"Now you don't get many country properties under £150,000, but then again, there are not that many well over £200,000. Anything larger that does come on the market tends to get snapped up."

As a mixed and fertile agricultural area with a good number of middle-sized farms, the country residential market leans less

upon the rectories and manor houses of the south eastern shires and more upon the supply of surplus farmhouses. Unlike the orphan farm properties of East Anglia and many southern counties, these are not homes made redundant because of the reaping of a number of smaller farms into larger estates. The older houses tend to have been sold away from working farms as they became too large for the average post-war farming family. Yet the farms themselves are for the most part still profitable.

As Keeble says, "the farmers are still driving around in their Range Rovers. And so Savills' Hereford office notes, since Herefordshire does have the third largest proportion of Grade 1 land in the UK (after Lincolnshire and Leicestershire), "investors can expect a highly respectable yields" from commercial farmland.

Still, buying demand for family farms has ensured that residential values now loom large in any analysis of local land worth. Savills reports that quality bare land in the county with good access now sells for £1,500 to

£1,800 an acre. But the premium for amenity farms is such that, on market evidence over the past year, a property with a period main house that has scope for improvement and which has between 50 and 200 acres of land attached would now be worth anything from £2,000 to £5,000 an acre.

Since the local government reorganisation of 1974, Herefordshire and Worcester have been run as a single authority. But redrawing of the county lines leaves the Malvern Hills as an indistinct border between the farmlands of Worcester's Teme and Severn valleys and Hereford, with its wooded hills around the central lowlands of the Wye Valley, and the higher barons castle country along the border with Wales.

Given the appeal of the countryside here, selling a three bedroom house in Fulham for the price of a country home in a few acres in the Wye Valley sounds an odd exchange, particularly if there's £100,000 or so left over after the London sale. But for the real bargains, the agents suggest town houses in Hereford itself, or country properties just across the border in Wales.

You can still buy Victorian or Edwardian family houses in and around Hereford itself for £40,000 to £50,000, and the £250,000 farmhouses of southern Hereford and Worcester which are now selling for between 20 and 25 per cent more than they were a year ago - can be £100,000 cheaper in the less accessible northern parts of Hereford, around and beyond Leominster.

That discount for distance may not last long. As Savills says: "The Ledbury and Ross-on-Wye areas have the widest appeal. However, we anticipate that values are more likely to even out and the northern part of the county around Leominster will be more difficult to catch up when the north-south Hereford by-pass has been created."

Price-conscious buyers willing to cross the Welsh border can find even better value but, as K. P. & R. say, "the border appears to be forming a psychological barrier. Though queuing up for cottages and houses in Hereford just a few miles into England, buyers cannot bring themselves to look a few miles further west if that is all as prospective buyers hung on until the mid-1940s, by which time - on a straight extrapolation of price movements at the time - builders would have started paying people to move into their houses."

But the fact that extrapolations of current trends invariably lead to eccentric conclusions doesn't always invalidate the effort. In the case of the relocation group Homequity, its recent number-crunching exercise taking the rate of house price increase in six areas of the country and applying the same rate of increase to the next ten years, does at least help to underline the North South price divide: for the effect of the figures as they stand is to quadruple



THIS IS THE start of the viewing season for determined second home buyers as the winter weather begins to deter the less hardy from making weekend trips out of town. Estate agents generally have more time to allow people round at the end of the year, and as the summer queues of would-be buyers and window gazers thin out there's normally less pressure to settle a deal at or above

the asking price, without a chance to really consider whether the property is worth it or not. Winter is also a better time to see whether the property that looked so good in the sun would be a mud-soaked trap out of season.

The Ipswich office of Strutt & Parker (0473 21451) for, then, likely to get more prospective buyers and fewer time wasters by putting the

three bedroom Fir Tree Cottage in the Suffolk village of Earl Soham on the market now. It is a 17th century house extended in the late 1800s, part timber frame, part brick under thatch, with a secluded garden near the village church. Earl Soham is 18 miles north of Ipswich (fast 60-mph rail service to Liverpool St) and the agents expect offers around £150,000 for the freehold.

Lies and damned lies

ONE OF the great joys of the pocket calculator is that it has empowered forecasters to extrapolate themselves into fantastic extremes.

Calculators in the hands of population experts in the years after the Great War would have resulted in Government Health Warnings on every marriage certificate. And if everyone had been able to find the means of calculating the forecast value of housing in Britain in the period of deflation in the early 1930s there would have been no sales at all as prospective buyers hung on until the mid-1940s, by which time - on a straight extrapolation of price movements at the time - builders would have started paying people to move into their houses.

On the other hand, calculator in hand, it is possible to see that happens if one injects a little more immediacy into this kind of direct line. Over the past ten years site values in London Docklands have risen by roughly 1,000 per cent. Following the logic of this forecasting method through to 1997, an acre of building land on the Isle of Dogs would be worth

roughly £30m. Now that's a figure that would bring tears of joy to the eyes of developers currently holding Docklands land-banks. But it is not exactly probable, since as Homequity notes, first-time buyers would be quite unable to afford properties in the south east.

Taking Herefordshire as an example, the company notes that "pay packets will fall far behind house prices, with the worst house-price-to-income ratio today, which is 8.7 in Herefordshire, rising to 11.8 in the same area."

Clearly, if price rises do follow this unchanging pattern, before the end of the century all of Herefordshire's semis will have to be bought by two or three couples all borrowing at least three times their joint salaries and, no doubt, having to use the kitchen and bathroom on a strict rota basis.

On the other hand, the geographic imbalance in the rate of property price increases could change, and the gap become less headline-catching than the "insurmountable" chasm that Homequity warns of.

J.B.

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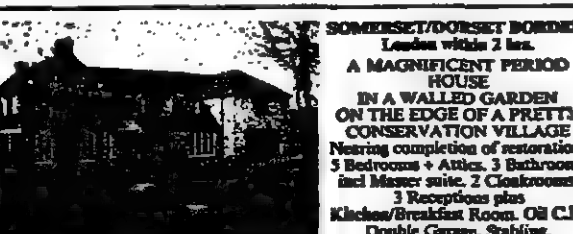
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Saleroom

Print power

Anthony Thorncroft reports on the image of prints, which are now attracting higher prices in the salerooms

THE SALE of Van Gogh's "Irises" for \$53.4m stole the headlines in New York this month but equally startling was Sotheby's auction of modern and contemporary prints which totalled \$7m, with only 1 per cent unsold. Again it was the Japanese that saved the day, with around half the important lots going east, courtesy of the all-powerful yen.

The main one they missed was a portfolio, one of a hundred produced, of Matisse's "Jazz", which sold for \$410,000, to a continental collector. The price summed up the extraordinary demand for prints, both Old Master, and, especially, modern. Only two years ago dealers were offering "Jazz" for not much more than \$100,000.

Next week it is London's turn to wallow in prints. On Tuesday and Wednesday Christie's is holding sales, and on Thursday and Friday Sotheby's puts nearly seven hundred under the hammer. On Saturday the third London Original Print Fair opens at the Royal Academy for four days, with 38 leading dealers offering original prints, which are the original composition of the artist.

Quite why prints are so popular is hard to fathom. They are much cheaper than paintings for those desperate to possess an original Picasso or Rembrandt. The Japanese find they fit more comfortably into their homes than cumbersome pictures. There is also the Oriental desire to own something exactly the same as a neighbour, rather than the western obsession with the unique. And while the Japanese buy mainly modern prints, there is still a tradition among knowledgeable continental and American connoisseurs to acquire the prints of those Old Masters, such as Rembrandt and Durer, who were active print makers.

Whatever the reasons, the prices for what, after all, should be similar images tell the story. This month in New York one of Picasso's most famous prints, "Le repas frugal", fetched \$100,000 (or \$50,000 plus). In June Sotheby's in London sold one for \$24,000, two years ago another went for \$27,000: not a bad appreciation for a print which exists in over 250 copies.

But then Picasso, Matisse and Chagall (early Chagall rather than late) are currently the sought-after names, especially by the Japanese. The lower and middle ranges of the market have not enjoyed a significant price appreciation. Even Munch, one of whose less "Nordic" prints, "Madonna", sold for \$250,000 in May, is a thin market, not yet bolstered by Japanese buying and therefore fickle.

The highest prices next week should be paid at Christie's which has a fine collection of prints by German Expressionists. An early colour lithograph by Kirchner could go as high as \$150,000; a similar print sold at Christie's in July for \$165,000. This is a familiar story: one high price tempts out comparable prints and the market holds its breath to see if the demand is still there.

At Sotheby's the interest is in modern British prints. Just as the oils of British artists of the 20th century have been rediscovered so their prints are appreciating rapidly in price. In the summer Sotheby's sold a set of six by Christopher Nevinston for \$22,000, which were valued at \$5,500 in 1980. This "Futurist" school is already widely appreciated. Now attention is switching to contemporary artists. A Frank Auerbach painting could cost \$100,000; a rare set of six dry-point nudes, produced around 1954 in his Royal College of Art days, could make \$15,000.

Few collectors of modern prints also buy Old Masters, and the Japanese have only just started to take an interest. It is quite different world, requiring great expertise in distinguishing watermarks and later refinements. The original work of the greatest print maker, Rembrandt, can, for example, range over two centuries.

Christie's is offering a good range of Rembrandts, some with the excellent provenance of coming from the Fogg Art Museum at Harvard. American institutions sell off their surplus stock with a businesslike bravado which stuns comparable British museums. Sotheby's has a good run of etchings by Holten, most of which should go for under \$1,000, as well as eighty coloured engravings from Jacob de Gheyn's "The exercises of arms".

And while the Japanese sell, the prints will probably be split up by the successful bidder, who will pay around \$30,000 for them.

Anyone intrigued by prints should visit the Royal Academy Fair which offers over 5,000 prints covering five centuries from under \$100 to \$100,000. It has been organised by Gordon Cooke of Gordon & Cooke, which will be showing the work of Robert Bevan as well as Nevinston and Whistler.

Setting aside the rapid price jumps of recent years for the finest quality prints there are still bargains among 18th century mezzotints and 19th century artists like Whistler, as well as contemporary artists. And there is Matisse's "Jazz" to inspire the mercenary buyer. It was produced in 1947. In the early 1950s a New York dealer was offering for \$400 the portfolio which sold in New York this month for \$400,000. A hundred times price appreciation for a pleasurable work of art must be some incentive for browsers.

AS I was saying last week, part of the point of the hamper is the container itself. Choose them well and they go on giving lasting pleasure, way after the contents have been devoured.

Remember, too, that hampers don't only have to be filled with delights for the stomach - some of the most welcoming hampers come filled with less obvious delights: delicious lotions and potions for bath and body, inconsequential frills and smells for house and home, crisp and useful accessories for office and desk, painterly effects for teenage faces. If you have the time and energy to put together a few hampers yourself this Christmas then here are a few suggestions - some traditional and classical, others less conventional.

LUCIA VAN DER POST

Wicker world of luxuries



Food for Thought

IT IS difficult not to get a bit cynical about the displays of Christmas hampers which fill the food departments at this time of year. Beyond any residual carping about the commercialisation of the religious festival, there is their manifest unsuitability for anyone you or I have ever met.

"Gifts" is of course a name for the kind of merchandise that nobody would ever buy for him or herself. But who could conceivably want to feast on the fantastic edibles that lie amidst the tinsel in those hampers - "The Chuzzlewit", "The Rotting-dean" and so on? How about some shortbread petticoat tails, my dear, and a few capers in vinegar washed down with a glass of Ruby Port and one of Yugoslavian Riesling?

No thanks, I'd rather have a Big Mac or a baked potato. Ah, but that misses the point - hampers are not meant to be food, they are little unforeseen luxuries you wouldn't buy yourself.

So within these terms, what would I like to find in my ideal hamper? Money being of course no object, having noted the uniquely protective and insulating effects of 550 notes used as wrapping in the past, I will pass on to the contents.

Let me get those out of the way first. No wine at all. Wine is for me to buy, for drinking with food at my place, so no wine if there is to be drink (and there usually is) my choice would light on some of those French aperitifs that currently find no mar-

ket in England. Since to begin with nobody's favourite drink, a bottle would last anyone for years, with its strangely medicinal flavour and complete lack of cachet. But I imagine myself uttering the unlikely words "Would you care for a Fuzel?" as I twinkle among the tall bottles. So since let there be, and there is, and Amer Moon and even Ambassador.

Now for the food. Apart from a little caviar for madame, preserved foods are always a bit dodgy, but some foie gras would be nice. Not pate de foie gras, which is just very nice pate, but the entire liver. Not - since I'm choosing - in cans, but in those big round glass bocaux through which you can see it lurking, pink swathed in yellow fat.

Things obviously home-made by the donor can be wonderful - although only as good as the donor. Jam and marmalade by all means, and I have wanted for years to have a friend with a walnut tree who will pickle walnuts for me in wine vinegar instead of the acid black fluid used for commercial pickles. Or a nice French friend who will layer the fruits of the summer in eau-de-vie as they come into season: I can dredge them out two or three at a time in their fragrant juice, to be eaten in a wineglass with a spoon.

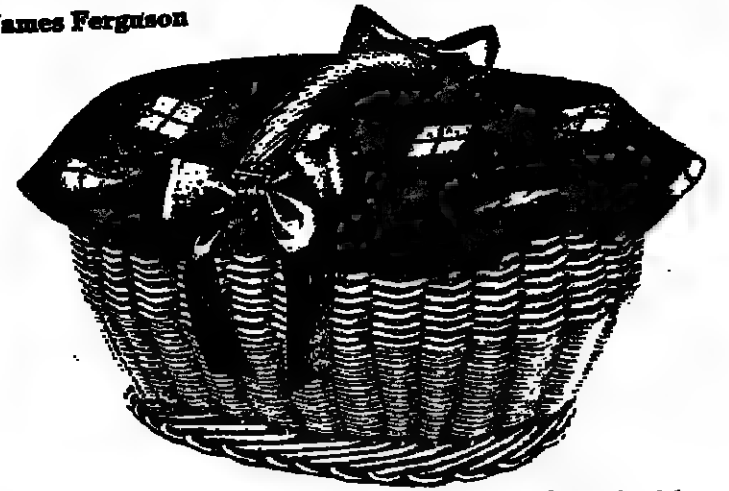
What else? I should like some tins of nuts - things you never buy for yourself but which are life-saving when someone drops in unexpectedly and a bottle is opened. So let me have a variety of nuts - salted, in tins, almonds, cashews, pistachios, macadamias.

What else? Looped and twined and stuffed around these things, like tangerines in a Christmas stockings, I should like bulbs of garlic, preferably the pink kind that keeps a bit longer. To be honest, what I could really use tucked into the odd corner would be truffles - not chocolate truffles, but the real thing: black truffles from the Perigord wrapped in little screws of old newspaper, preferably I suppose "The Observer".

The trouble with truffles is that they smell so very strong. I don't think I have ever had one that didn't corrupt my jars of foie gras or my tins of nuts. But what would the postman and my Christmas guests - in-laws and tedious chattering aunts? I have no doubt that truffles in cans and bottles will not do. They are quite nice and provide the little cubes of coal-black in one's gal-



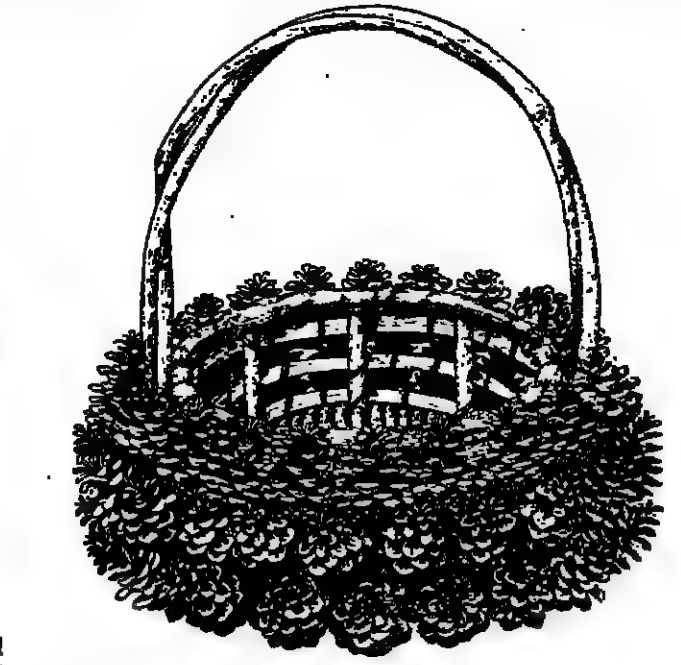
Grey white or black hat box from English Eccentrics, printed with one of their idiosyncratic prints (choose from faces or hands). £19.50, 155, Fulham Road, London SW3.



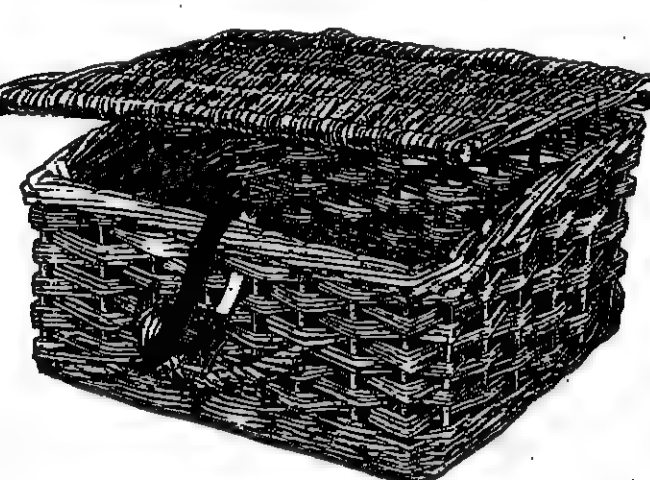
Picnic basket lined in Scottish tartan and trimmed with navy ribbons, £35 (p and p \$5.15). 100 per cent wool Tartan tablecloth also available, £24.15 (p and p \$3.30). From The General Trading Company, 144, Sloane St., London SW1.



Traditional Norfolk potato basket made from unstripped English willow, £15.95 (p and p \$1.50) from Naturally British, 13, New Row, London WC2.



Pinecone rimmed basket from Indonesia, would make a good plant-holder afterwards, £15 from The Conran Shop, 81 Fulham Road, London SW3.



Traditional wicker hamper, ideal for picnics, £24.45 (p and p \$1.50), from David Mellor, 4, Sloane Square, London SW1 and 66, King Street, Manchester M2 4NP.



Marvellously soft and relaxed tough black leather and canvas briefcase, beautifully finished, large enough to take some fine bottles. By Mandarin Duck, £195 (p and p \$3.50) from Astrohome, 47-49 Neal Street, London WC2.

Peter Fort

Trollope put to rights

"WHEN I WAS a very new MP," said Peter Walker, "Harold Macmillan told me to read either a Gibbon or a Trollope by his bed. You can open a Gibbon or a Trollope at any page and begin to read with great pleasure, the writing is so beautifully balanced."

Mr Walker, now Welsh Secretary, has been a Trollopean ever since, and earlier in the year became a founder life member of the new Trollope Society. As such he will be among the first to benefit from a long overdue initiative - the first publication of the complete works of Anthony Trollope.

The Trollope Society, this year celebrating 40 years of producing classics for members, is to publish the whole canon in a \$500,000 undertaking over 12 years, and has agreed with the Trollope Society to use the Folio text in its own, unillustrated, edition. There will be four Folio volumes a year beginning in 1989, a personal triumph for Trollopean chairman John Letts.

Why there has never been a complete run of one of the three best Victorian novelists is a mystery, particularly when he was so well thought of in his time. Nathaniel Hawthorne wrote that Trollope's books were "written on the strength of beef and through the inspiration of ale, and are just as real as if some giant had hewn a great lump out of the earth, and put it under a glass case, with all its inhabitants going about their daily business, and Americans have always held the books in special affection - there are three Trollope societies in the US.

Our Trollope Society came into being last March in an upper room of the Reform Club, with the contrivance of enthusiasts such as Sir William Reed-Mogg, chairman of the Arts Council and former "Times" editor, and now the Trollope Society's president, Nicolas Barker of the British Library and editor of the Book Collector, and John Letts, who has taken early retirement as managing director of the Folio Society to be chairman of the Trollope Society. The objectives - "To encourage the publication of the complete uniform edition of the works of Anthony Trollope, and to promote a wider interest

in the works and life of Anthony Trollope."

"The Folio Society had published the Barchester and Palliser series, but I knew nothing of the single novels," said Letts. "I discovered the unknown novels are of a much more salable character than the would suppose. Novels like The Belton Estate, Ayala's Angel, Mr Scarborough's Family, Lady Anna, Rachel Ray - novel after novel of a very high standard, but not in series."

There are 48 novels, 36 of them singles. He scoured the London Library to find and read them and had almost got to the end when he found the first volume of My Cousin Henry was out. When called in it arrived with a card signed by travel writer J G Links "Dear Fellow Member (of the Library), I am sorry for the delay in receiving this but was half way through reading it to my wife. I think you will enjoy it - try Miss Mackenzie. Truly the Trollope barrel is bottomless."

"The society writes to likely members almost at random. "We were surprised at their enthusiasm. We wrote to about 110 people initially and something like 75 said they would join."

What was also surprising was how many politicians still share Macmillan's taste. Among the first to sign on were Lord Peyton, former Transport Secretary; Lord Young, present Trade Secretary; and Leon Brittan, former Trade Secretary. Nor does high Toryism seem to be a prerequisite, for Liberal deputy leader Adam Beith has joined, as has Roy Jenkins.

The sometimes Byzantine plots of the novels appeal not only to politicians: Lord Perth, First Crown Estates Commissioner, is a member; Basil de Ferranti, chairman of the electronics firm, Sir Jack Hayward, the development mogul and philanthropist; and journalist and wine expert Cyril Ray have all joined. A total of 250 have now been written to and 174 are members. Annual membership is \$2, foundation membership for two years costs \$70, \$100 buys life membership.

When John Letts retired from the Folio Society after 15 years at its helm, having steered it

from near bankruptcy to a financially healthy club with 40,000 members, making it attractive enough for printing giant Robert Gavron to buy it, his colleagues presented him with an ode which ends:

Though he may have wooed a Trollope,
(He could not resist a Trollope.)
We may end up doing Trollope,
Every year until we're old.

The Trollope Society is at 3a North Street, London SW4 0HN.

Simon Tait

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The Great Brandy
from the Romantic Rhine





Christmas is coming... it always does. If, like me, all you've bought so far is the wrapping paper (lovely Victorian-style rolls £2.95 for 5 sheets)

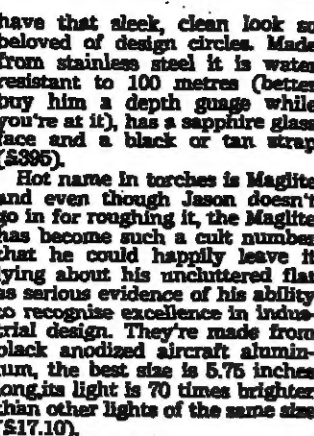


Jason is an upwardly mobile producer on a breakfast show. He has a large white flat in Camden which he is at pains to keep fashionably sparse, the better to set off his blazer and tie. Jason fancies himself as a modern man working at the forefront of an up-to-the-minute medium, so flatter his ego with some of the very latest gags. Don't for heaven's sake offend him by giving him a CD (compact disc to you) - now that they're to be found everywhere he can't wait for his full DAT (digital audio tape) set-up. If you're feeling flush he would love a pocket TV set - something like Casio's mini-version at about £100.

The shops for Jason are Oggetti of 133 Fulham Road, London SW3, (which now has a catalogue and sells by mail order), other branches at 100 Jermyn Street, London W1, and 2 New Bond Street, London W1; Authentics of 42 Shelton Street, London WC2 and Astromore of 47-49, Neal Street, London WC2.

He'd love almost anything from Oggetti (but be careful to check out what he's got) - in particular this year's 'in' watch is the Aldo Rossi - you can choose from a fob version or wrist (more Jason I think). Both

then maybe you need help. For those who think that only their relatives are difficult, here are some hard to please characters with suggestions for the sort of presents that might just bring a little gleam of pleasure to the eye on Christmas morning. So let me introduce you to... Jason, Maggie and Susan....



have that sleek, clean look so beloved of design devotees. Made from stainless steel it is water resistant to 100 metres (better buy him a depth gauge while you're at it), has a sapphire glass face and a black or tan strap (£395).

Hot name in torches is Maglite and even though Jason doesn't go in for roughing it, the Maglite does such a good job of illuminating that he could happily leave it lying about his uncluttered flat as serious evidence of his ability to recognise excellence in industrial design. They're made from black anodized aircraft aluminium, the best size is 5.75 inches long, its light is 70 times brighter than other lights of the same size (£17).

His flat still isn't equipped with everything he needs and he could do with a really good lamp for his desk. The London Lighting Company, of 136 Fulham Road, London SW3 has just the job - made from nickel and brass, designed in 1929 in Sweden, it has the clean lines he loves and the functional effectiveness he so admires. From the telescopic range, the SP27 is £244.65.

From Authentics Jason would love the smart Japanese all black desk set that fits together like a jigsaw puzzle and includes among other things a stapler, scissors, a knife, sellotape, and hole punch. It measures just 4 inches by 4 inches, £35.55. If he could do with something a bit chic and designish to deal with the ritual of the morning shave then he'd love the smart black chrome pocket shaver - £69.95.

Fast Forward, 14a Newburgh Street, London W1 is another of the shops Jason loves. A haven for the newest, smallest, latest gadget of every sort - look for credit-card sized gadgets and mini television sets. At Joseph Pour La Maison, 16 Sloane Street, London you could find him a combined calculator and notepad, the size of a credit card, all in black rubber for just £25.

At Malcolm Levens, 13-15 Chiltern Street, London W1 you

could get him a set of very matt black 'designer tools' - so beautiful they are good enough to leave lying around anywhere, £49 the set.

Jason is a very fussy dresser so you'd be wise to approach the buying of clothes with deadly caution. Almost anything from Paul Smith of 43-44 Floral Street, London WC2 would go down well, but if in doubt just give him a hatful of scarves. He'd love a chic piece of luggage for those weary overnight stops that will surely soon come his way. A smart black Mandarin Duck case, all ribbed rubber and canvas, very handy, very trendy, at £160, would be fine. And he'd appreciate a proper espresso coffee machine, £55.50 from Butlers Tea and Coffee, 26 Rupert St, London W1. Mail order available, 55 p and p.



are very Socially Concerned. They live in Stoke Newington. Some of their friends live in Hackney, parts of Islington and the last of them are in the north - they're spreading it South. London. Their children go to state schools where they learn to dub Maggie and Graham and then they're off to university. The children aren't drab at all - in spite of all the carefully crafted wooden toys, the cushions and the pacifier. They're all really like a Care Bear, My Little Pony, guns, high tech and highly coloured synthetic toys. When older they like loud music, loud make-up and will wear anything so long as it is black.

Maggie and Graham are a bit moralistic about spending large sums of money. Conspicuous consumption is very definitely against their creed. They like their presents to be worthy or self-improving.

Trivial Pursuit would be fine - if they didn't already have it. Le

Creuset cookware and blenders for preparing wholesome vegetable soups, wooden bowls for serving vitamin-rich salads, and sturdy glasses are just the sort of thing that would go down well. Elizabeth Davis, 46 Bourn Street, London SW3, and David Mellor, 26 James Street, London WC2, have just their sort of things, good honest functional cookery equipment, nothing too fancy. Sabatier knives, those great classics of the kitchen, would always come in handy.

Crafts, of course, are very much up their street. Hand-made is so much better than machine-made, don't you think? So take in a visit to the Crafts Council Christmas Exhibition at 12 Waterloo Place, London SW1, where some 40 different craftsman (whoops, crafts people) are selling their wares - pottery, jewellery, baskets and woodwork at prices from £10 up to as much as £750. Plastic laminated earrings and brooches for Her (£8.05), some honest earthenware (from £13.00) for Him.

Maggie and Graham spend much of the holidays walking in the Lake District so a specialist map from Stanford's, 12-14 Long Acre, London WC2, would go well. Or what about some real walking boots, £60 a pair from Alpine Sports, 01-555-668, Strand, London WC2.

They love anything from Third World countries, in particular their shirts and scarves. They always look in the specialist mail order catalogues like Oxfam, 30 Murdoch Rd, Leicester, Oxford, tel. 0535-245011 (but bear in mind that this is where they buy their presents, too). Byzantium, 1 George Street, London W1 is a shop they love. Here are authentic ethnic rugs in lovely colours at prices ranging from £9.50 to £130 - choose from Indian, Greek, Turkish. Lots of lovely, colourful jewellery, too, of the sort that looks good with the clothes that Maggie buys in Monsoon's annual sale.

From the Oxfam catalogue choose table and kitchenware, mugs, silk scarves. From Tradecraft, 10 Kingsway, Chesham, Bucks, tel. 0494-731911 look out for silver and fired clay jewellery, which is particularly attractive and good value.

Maggie loves cotton tights - she despises any of synthetics - so put some in her stocking. Buy them at the Sock Shop or at Warehouse (£3.99) a pair. She also likes perfumes and skin care products. If they are not too too assertive skin tie, a really good biography (maybe Victoria Glendinning's life of Rebecca West, £14.95, Weidenfeld & Nicolson), an excellent cigar or two, are the sort of presents he'll like.

He sets a good table, does Charles, so something from The

Perfect Glass Shop, 5 Park Walk, London SW10 would go down well. A hand-blown champagne bucket at £45.99, or a pair of favourite glasses at £20. If you're a fan of the godchild with what you might think is an investment to give him an original art nouveau carved jug from Mansfield, 30-36, Drury Lane, London WC2 at £150. Less expensive but equally elegant in its own way is the rechargeable glass clock siphon with an elegant chrome mesh cover - at £30 from Harvey Nichols this would remind him daily of your munificence as he pours out his mighty whisky and soda.

For his opera-going nights you might give him some opera glasses from Trevor Phillips, 76a Jermyn Street - again not cheap but possibly an investment at £100 a time.

He's quite a racing fan so the new Dick Francis, Fox Money, (Michael Joseph, £10.95) would give him several happy hours curled up in front of his own fireplace. He's very fond of things old and classic and so he would love the antique brass binoculars (£150, also from Mansfield) - they are nine inches long and they do actually work.

More classic can be found at Mansfield at somewhat lower prices - there is a hallmarked silver propelling pencil, made today but to the original 1880s design, £59.

He does like his home to look nice so a really well-shaped bay tree in a good classical stone or terracotta pot from somebody who understands his taste like Clifton Nurseries, 16 Russell Street, London WC2 would go down a treat.

Though he's not often known to leave much of his flat uncluttered at the end of a bottle, sometimes even he doesn't finish it all - so buy him the best stopper yet devised. Known as the Veuve, it works rather like a pump, and isn't used to spending any money on herself, partly because there never seemed to be enough to go around anyway and partly because she always seemed to have more important things to think about.

Now that the children are almost all grown up, she does long for a few of the more luxurious things of life. Now that life's a bit easier and she doesn't have to get up for the school-rooms she'd love some rather delicious nightgowns. There shouldn't be too flimsy because the central heating isn't that reliable. She saw the very thing at Courtenay of 22, Brook Street, London W1 when she was last up in London - a soft brushed cotton night shirt in a Liberty floral print (£79) and wrapover robe with a shawl collar in deep pink or blue, picking out the colour in the night-shirt (£129). If Richard can't find the time to come to London he can order it by mail - 55 p and p for the two.

Alternatively, anything from After Dark, 62 Piccadilly Road, London SW1 would do very well. There's a whole range of pretty nightdresses, pillowcases and warm quilted jackets in a deliciously pretty print on white print.

Now that the children aren't around and she can begin to keep the house looking the way she always wanted it to, she could do with a really pretty things. She'd love some really beautiful sheets and pillowcases - maybe a pair of pristine white cotton sheets edged in lace from the Monogrammed Linen Shop, 168 Walton Street, SW3 (get her initials put on them and then the

children won't be able to pinch them). Or get her some ravishingly pretty pillowcases, printed with blue and white print taken from an 1820 Staffordshire plate - at £13 each they are unique. Find them at Putnams, 72 Mill Lane, London NW6.

More really pretty things of the sort that would blend in with the gentle charm of the farmhouse can be found at Graham & Green, 4 & 7 Egham Crescent, London W11. You could get her a kelim rug to cover over the bare patches in the existing sitting-room carpet. (Prices start at £100) or some lovely old-looking handmade photograph frames (£9.95 and £12.50).

Now that she has a little more time on her hands she has old-fashioned notions of doing a little needlework - give her one of the marvellous kits now around. Graham & Green stock the authentically Victorian looking cat and dog cushion kits - £35.50 each.

Susan loves her garden and spends many hours in it. One thing that would make her life a great deal easier is a cordless telephone - she wouldn't miss all those calls while she struggled at the back-door to get her wellies on and her garden hose. £200 at £130 would fit the bill.

Susan would love almost anything from Eximious, 10 West Halkin Street, London SW1. She keeps meaning to put the family photographs in order so a good hard-backed album with thirty thick card pages, all reinforced at the spine and in dark chic colours like navy, scarlet and dark green would go down well. £54.50 for 12 inches by 14 inches size, £39.50 for the nine and a half inches by 9 and three-quarters inches.

She also very much fancies the dehydrator from Elizabeth Davis, 46, Bourn Street, London SW1. She keeps meaning to put the family photographs in order so a good hard-backed album with thirty thick card pages, all reinforced at the spine and in dark chic colours like navy, scarlet and dark green would go down well. £54.50 for 12 inches by 14 inches size, £39.50 for the nine and a half inches by 9 and three-quarters inches.

Her cooking has taken on new life with quite a lot of smart dinners so she could do with some fashionable bits and pieces to add new life to her Jaeger velvet skirt and blouse. She's been dropping a few hints about the diamond brooch with a pearl drop that she saw in Harvey Nichols jewellery department - not in the heftiest case, nonetheless at £59.00 it will add a bit of sparkle to her Art Deco style black evening bag (£19.95) would also help to perk up her evenings out.

In fact there are quite a few things she's eyed in Harvey Nichols when she was last up in London - her day-time outfit, too, come to think of it are in need of a little sharpening up and some of the new gaudier gloves (preferably cashmere at £47.00 a time) and a soft clutch handbag (give her life and wit by a jaunty bag (£89) would do a lot for her morale.

to persuade him into a colourful number from a trendy Italian designer - his drawers are already full of any number of unworn little items he's been given down the years. If clothes are what you'd like to give him take a trip down Jermyn Street for shirts stick to classic Bengal stripes in fine two-fold poplin (N Lewin do some of the best value of all), plain classic colours for his lambswool cardigans and his cashmere sweaters, from the very best names.

He'd love a classic alk dressing-gown from Harvie & Hudson, 97 Jermyn Street (in dark classic colours, between £155 and £175, p and p £2.50) or a pair of their embroidered velvet house slippers (£44.50, p and p £2.50, sizes 6 1/2-12, in navy, wine and black).



is in her early fifties and married to Richard, a farmer. She has spent most of her adult years taking care of the old farmhouse, Richard and their four children. She isn't used to spending any money on herself, partly because there never seemed to be enough to go around anyway and partly because she always seemed to have more important things to think about.

Now that the children are almost all grown up, she does long for a few of the more luxurious things of life. Now that life's a bit easier and she doesn't have to get up for the school-rooms she'd love some rather delicious nightgowns. There shouldn't be too flimsy because the central heating isn't that reliable. She saw the very thing at Courtenay of 22, Brook Street, London W1 when she was last up in London - a soft brushed cotton night shirt in a Liberty floral print (£79) and wrapover robe with a shawl collar in deep pink or blue, picking out the colour in the night-shirt (£129). If Richard can't find the time to come to London he can order it by mail - 55 p and p for the two.

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A variable vintage



Wine

ALTHOUGH MUCH prominence is given to the charitable aspect of the annual Hospices de Beaune wine auction - this year FF405,000 (£60,500) was paid by a Lebanese businessman living in Luxembourg for an ex-catalogue single cask of a Beaune cuvee, for the benefit of the Pasteur Institute in Paris - the high prices generally realised over a good deal to the publicity element involved.

Held always on the third Sunday in November, the pre-sale tasting in Paris - the high prices generally realised over a good deal to the publicity element involved.

This year, however, things were more than usually difficult for after a very late vintage the sale took place on the earliest day possible, the 15th. As a result, many of the red wines poured in the proffered tastings from the assembled casks of the 55 cuves were out of condition.

Some were undergoing their second, malo-lactic fermentation, some had not started it and others had completed it. Consequently the colour seemed reduced, the aroma disturbed and the flavour non-fruity. The nine white cuves were all

milky, with residual sugar in the incompletely fermented-out wines. Few, including the professor, could make much sense of the wines.

Fortunately, however, the *Trois Glorieuses* week-end (so-called from the three barques arranged over three days) provides other opportunities to sample the new wines, notably at the Hotel de Ville exhibition, where around 10,000 wines, arranged by village, are set out for tasting from bottles of cask samples.

The reds there showed much better in colour, bouquet and flavour and though more than usual appeared oxidised, this is always possible with cask samples. Overall they gave a much better impression of the vintage.

The whites were more difficult. Some were more than usually able to taste some attractive leading Cote d'Ors and crisp Chablis, about which some contradictory reports have emerged. It is a regular complaint that this auction is held too soon

after the vintage. The less important Hospices de Beaune auction is held on Palm Sunday. Another criticism is that the Hospices authorities do not do the eleventh and twelfth of these vital functions are left to the buyers, who must remove their purchases by mid-January or pay rising monthly interest charges.

Obviously they have regularly to top up their casks with some other wines, to be hoped similar in style and quality until the next vintage. However, the Hospices authorities call for their receipts as soon as possible and wish to avoid building and maintaining additional cellars and staff to house and bottle hundreds of casks each year, though to keep their standing it may come to that.

Prior to the sale, leading Beaune merchants expressed hopes that prices would come down a little, for although it is frequently repeated that prices at this auction are not too far removed from the real market, nevertheless growers note the auction trends and initially at least offer their wines accordingly.

In fact, however, prices rose moderately: the reds by 0.39 per cent, the whites by 3.5 per cent, an overall price increase of 8.18 per cent. The rise in the reds would have been greater but for falls in the bids for a few cuves.

Undoubtedly prices would have shown a drop had there not been many fewer casks on offer: 506 as against 714 last year, the smallest number auctioned since 1981. The top prices per hectograde for the red cuves, with last year's in brackets, were: Mazis-Chambertin Madeleine Collignon, FF763,000 (46,000); Pommard Dumes de Charte, FF938,000 (34,000); Corton Charlotte Dumay, FF 35,000 (36,000); Volnay Blondeau, FF 32,000 (30,000); and Volnay Santenot, Gausvain, FF 32,000 (34,000).

The smaller overall increase in the white cuves followed a tale-tale battle last year that took the Corton Charlemagne Francis de Saline to FF18,000. This year it made FF 70,000 - still the top price in the auction. Of the leading figures were the Corton Vergennes Paul Chanson, FF565,000 (70,000); Meursault Charnay, Grivault, FF55,000 (50,000); and Meursault Genevrievres Baudot, FF49,000 (37,000). Total for the wines was FF14,383,000 (£8,782,000).

What, then, is the quality of the 1987 vintage? The short answer is "variable". As in Bordeaux, the summer was poor, but the unusually hot September weather saved the vintage, which after a good deal of *coulure* (non-setting of the grapes and millerandage failure of the grapes to swell, was bound to be small.

Picking began at the end of September and for the first few days the weather was unsettled, but from October 6 it was rather better and conditions improved, so growers who picked later probably made the best wine, while those vintage early or in the middle did less well, with a good deal of fluctuation.

At one end of the region Beaune was a success and a much better year than 1986. At the other end Chablis, picking late, had some success, though 1986 may turn out the better year. In the Maconnais the crop was much more variable, but said to be fairly reliable in the Chalonais. It is variable too in the Cote d'Or.

The red wines are generally better than 1986, although I tasted some very fruity 1986 Cote de Nuits wines. Obviously it is a difficult vintage in which the most expert and experienced vintners made the best wines in a small crop. Bouchard Pere et Fils, the largest vineyard owners in the Cote had an average yield per hectare of only 28.5hl for their red wines, compared with a normal average of over 30hl, but the yield for their white wines was a substantial 46.5 hl, though smaller than the 60 hl in 1986, which was very large.

In Meursault cellars I tasted some very promising white 1987s, particularly from the first growths. The lower end of the commune with the plain village appellations was huddled and the Meursault crop was much smaller than in Puligny and Chassagne, though both were less than last year. I also tasted some excellent, crisp, aromatic and fruity 1986s, almost certainly the better white burgundy vintage.

As to the level of prices, there are some signs. In very good years the price of the most expensive before the Hospices auction, especially for the whites, but not this year. It will probably not start before the New Year, with prices similar to last year, for there has been a substantial rise in stocks. At the end of August, the total quantity of red burgundy, excluding Beaune, in cellars

had risen in the twelve months from 620,000 hl to 830,000 hl and the whites from 270,000 hl to 350,000 hl.

Obviously many firms have been adversely affected by the falling dollar, but rather less so by the pound, which has regained some of its strength. The rise in wine stocks was welcomed by most merchants as giving more stability than for some years. However, the higher stock levels are probably mostly among the lower appellations: Bourgogne Rouge and Blanc, as well as the village wines.

It is at these levels that there may be difficulties, but not for the present and grand cru, where quantities are relatively small, particularly the whites. The US market, where imports of red and white burgundies in 1987 dropped by 11 per cent and 27 per cent respectively, is very volatile: the UK less so, with a fall of 12 per cent and 1 per cent. On the other hand, the substantial German market advanced by 17 per cent and 22 per cent.

Whether consumers should buy 1987 burgundy may depend on how they look next year to the traditional wine merchants who buy a vintage early, and of course on the state of the economy.

We are unlikely, however, to have to make up our minds all that soon and perhaps not before some indications of the prospects for the 1988s are clearer. But the 1987s are not to be ignored, especially the reds, and the Cru Beaune should be worth acquiring when available next spring and summer.

Edmund Penning-Rowell

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My Book of the Year

Our reviewers choose the books published this year they have most enjoyed reading

I HAVE enjoyed wallowing in the sumptuousness of the illustrations in Jeremy Cooper's *Victorian and Edwardian Furniture and Interiors* (Thames and Hudson, £26.00), and been surprised by the rampant ugliness of so many of the artefacts of the period. Cooper, once a dealer and now a writer, covers the whole gamut from the Gothic Revival to Art Nouveau. There are calm patches provided by Pugin, Morris and Mackintosh; their seriousness is a welcome relief among so much dross.

This is not the definitive book on the furniture of the period but highly enjoyable. It made me see exactly why the Modern Movement had to happen and wonder also how on earth our great grandmothers survived in their claustrophobic and overcrowded houses.

COLIN AMERY

MAY I nominate two books that represent my ambivalent, equivocal interests in both history and literature? Richard Ollard's *Clarendon and his Friends* (Collins, £18.00) stars, as the best of the year for history, such mastery of the subject, so perceptive and sympathetic, and beautifully written. Ollard is one of the very few first-rate historians now writing - too many third-rate ones cluttering the field.

Victoria Glendinning has accomplished a difficult job triumphantly with her history of Rebecca West (Weidenfeld & Nicolson, £14.95). Almost impossible to get Rebecca quite right - so contradictory, inconsistent, part masculine, part feminine. Books-Anglo-Irish, brilliantly clever and always fun. Glendinning treats her with justice and understanding.

ALBOWSE

IN THE year that he celebrated his eightieth birthday, Lincoln Kirstein has produced *Quarry: A Collection in Idea of Memoirs*. This is a collected work, with characteristically pithy commentary, round his fascinating accumulation of paintings, drawings, bronzes, photographs, and the varied memorabilia of a life grand in achievement. We meet a splendid Gerome of a Rothschild shooting party, portraits of Kirstein by Lucian Freud, Pavel Tchelichev, Michael Leontov, medals, medals, medals, divided by the years. It is beguiled, the mind held, by the resonances of the collection and the range of Kirstein's interests. Splendidly illustrated, the book is a handsome production of the Twentieth Century Press of Pasadena, California. And as a pendant, let me recommend this year's publication of Kirstein's *Collected Writings* (Athlone, New York, £25). Here, in a vivid, anecdotal, the product of an ear as acute as the eye that chose the dazzling trove of Quarry.

CLEMENT CRISP

TWO OF this year's theatre books gripped me from start to finish and my vote must therefore be divided.

The *Life of Kenneth Tynan* by his widow Kathleen Tynan (Weidenfeld & Nicolson, £18.95) is a brilliant fusion of affection, objectivity and sensible appreciation. Tynan, who died of pulmonary emphysema in 1980 aged 53, was the archetypal Irish rebel turned media star, and the most gifted and important theatre critic of the century. His lust for theatre was part of a lust for life, as well as a lust for lust. His reputation, languishing of late, will be restored by this book and further enhanced when Mrs Tynan releases the unpublished diaries and uncollected journalism.

Timebends by Arthur Miller (Methuen, £17.95) is a magisterial, enormously affecting autobiography of a man who has lived by certain ethical and moral rules, defined all opinions to them, and written great plays in their defence. The passages about Marilyn Monroe, Miller's second wife, are no less dignified and impressive than his comments on McCarthyism and the colleagues who turned traitors to their own honesty.

Timebends has the dream-like fluidity of Death of a Salesman, a similar poignancy of a good man's journey through the sometimes hostile terrain of his own life in a changing country, but a country he loves to the end.

MICHAEL COVENEY

NO ONE but Oscar Wilde himself will ever have the final word on Oscar Wilde, but Richard Ellmann's huge new biography of the man with almost everything to declare, as well as his genius, comes pretty close. Oscar Wilde (Hamish Hamilton, £18) is especially good at revealing the power of paradox in a life at once mocking and moralistic, glamorous and grim; whose work - though Wilde insisted otherwise - was and is still more important in artistic terms than the life.

GAY FIRTH

MY CHOICE, Handel's *Operas 1787-1796* by Winton Dean and John Merrill Knapp (Oxford, £55), is one of the great monuments of musical scholarship of our day - a mine of information lucidly delved, sharply stimulat-

ing in its knack of seeing both the wood and the trees of 18th century serious opera, and a pleasure to read for its crisply expressed, infinitely discerning, and above all loving responses to the works themselves. The price is steep; all the same, this is now one of the select items on the operatic bookshelf. May its companion volume, completing the Handelian operatic overview, join it there soon.

MAX LOFFERT

CHRISTOPHER HIBBERT'S *The English: A Social History 1066-1945* (Grafton, £20) seems a bit daunting at first glance, but is a book for dipping into, rather than reading at one go. It is essentially a compilation, a fascinating look at life in England through the ages - everything from the Cattle Rites of 700 years ago to crime and punishment in the Middle Ages, to Boswell's amazing sex life.

Particularly striking is the 16th century East Anglian housewife who instructed her husband to buy crossbows in London rather than longbows, because they shoot more easily through doorways - so very like one's own little expeditions to Hamley's.

NICHOLAS BEST

THE MOST original and interesting book on the 18th century Navy to be published in many years is *The Wooden World* by N.A.M. Rodger (Collins, £17.50). It is also one of the most readable. It stands the whole subject on its head with a historical gusto and a wealth of fascinating detail. The idea that the naval victories of the Seven Years war could have been won by the sort of no-hopers that Falstaff would have recruited has never made sense. Dr Rodger has given it its quietus, and has shown how far the Georgian navy was.

RICHARD OLLARD

IT has been a rich and varied year, but finally I enjoyed nothing more than *Le Seminaire de Bordeaux* (Flammarion, FF85), Jean Dutoit's lively, light-hearted, and appealing account of the French sociological scene. Dutoit has always been adept at puncturing fashionable pretensions and in

cross Transylvania in the second section of the journey, as told in *Between The Woods and the Water* (John Murray, £13.95). As he describes it the country and its people are just as dotty and even more charming than one expects. But then, this traveller is a brilliant and beguiling describer. And a lucky one. The Balkans seem to have been one vast conspiracy to entertain and, once at least, to flirt with him. Did he reach Constantinople? For the answer I must wait, all agog, for volume three. Meanwhile we have this brilliant and enjoyable book.

GEORGE MALCOLM THOMSON

ADVANCED CAPITALISM has generated, and continues to generate, the highest material standard of living for large masses of people in human history. It is also a necessary, but not a sufficient condition of democracy, and indirectly of basic human rights. On the other hand it is inferior to socialism in its ability to conjure up ideas and myths which legitimate it in the eyes of image-makers and 'intellectuals'. Thus it is highly dependent for survival either on crude material results or on its being surrounded by traditional institutions such as religion and the family, themselves vulnerable to the rationalist values fostered by modern development.

This was the thesis of Schumpeter's classic *Socialism and Democracy* first published in 1942. A new book by the US economist, sociologist, and writer, Edgar, *The Capitalist Revolution* (Wildwood House, £6.95) comes to essentially the same conclusion (without Schumpeter's prophecy of doom), but supplies a wealth of fascinating detail, bringing in a wealth of new evidence including the experience of East Asian capitalism. A needed present for many.

SAMUEL BRITAN

THERE ARE only a few books, unfortunately, that combine scholarship and charm. John Pemble's *The Mediterranean Past* (Oxford, £27.50) is one. The content is appealing as the title. There were quite a number of Victorians and Edwardians who left Britain for

was anyone in the worlds of literature and politics from the days before the first world war up to the early 1930s. Before being a successful novelist she was an indefatigable journalist and critic and also found time for a very active social life.

Faced with such a wealth of material, the temptation to produce a doorstopper of a book must have been hard to resist. Glendinning gives enough information about Rebecca West to satisfy curiosity without ever blunting interest by tedious detail. Dame Rebecca's private life was far less successful than her public one, but both are vividly presented with tact and sensitivity.

ALANNAH HOPKIN

MY FAVOURITE by a mile is *Compact Edition of the Supplement* to the *Oxford English Dictionary* (Oxford, £75) edited by Robert Burchfield and dedicated to the Queen. Together with the two original volumes of *Compact OED* (£225 the set of three volumes) it would make anybody's book of the year for any year there ever could be, especially as it comes with its own magnifying glass for myopia. This is the world's greatest literary dictionary, for which editing started in the 1850s, and the greatest of all source-books for literary English. In fact its reservoir of quotations is unsearchable.

The Dictionary started to appear in 1888, and it has taken the learned world nearly 100 years to find more than a handful of earlier editions and reports on its own. The jokes of the Supplement have yet to be numbered, but there is certainly plenty here to amuse. The new Supplement replaces the one of 1933 with micrographically reproduced six-column pages, and it is up-to-date enough to make you blink, however long-sighted you may be. It includes 'monkeys' for example, first used by Newsweek in 1968; and 'yuppie' in 1984, no sooner - 'a jocular term for a member of a socio-economic group comprising young professional people working in cities'.

GEORGE WATSON

OF THE numerous books about Oscar Wilde I have seen, the one I found most moved by Richard Ellmann's (Hamish Hamilton, £15). This was written by an accomplished scholar whose historical research into the detail of Wilde's life is beyond praise. The result is intensely dramatic. Though the end of his narrative is too tragic for enjoyment, I admired Ellmann's mastery of an intensely complicated and provocative subject. His method of combining brilliant highlights with sinister shadows is masterly and his judgement of Wilde's writings strikes me as being definitive - the ultimate word. Indeed, this deserves to be called a great biography.

BAROLD ACTON

MY CHOICE is George Scharf's *London: Sketches and Watercolours of a Changing City, 1826-1880* (John Murray, £14.95) by Peter Jackson. This volume containing work of the Bavarian artist, who had seen action at Waterloo and then migrated promptly to London, selects some 150 drawings to compile a unique documentary of Georgian London, dissolving and reshaping towards its state of Victorian London - the London of the early Dickens who would have recognised it as his own. Exact locations of each image are pinpointed by Peter Jackson's encyclopedic expertise. We see Montague House transubstantiating into Smirke's monumental British Museum; London Bridge going down beside London Bridge going up - and every where people intent on daily business.

I found it riveting and inexhaustible. The time for real despair is when London stops changing.

DAVID PIPER

THE BEST biography I have read for a long time is Rebecca West's *Rebecca West* (Weidenfeld & Nicolson, £14.95). Rebecca West lived a long and very full life from 1892 to 1983. She knew everyone who

with FINESS and good timing. Jocelyn de Moubay, a non-linguist Old Etonian, produced *The Foreign-Born Business* (Hamish Hamilton, £12.95), which glided onto bookshelves just a few sobering hours before the autumn's great stock market crash.

The book is subtitled *Inside the Modern Bloodstock Industry* and that is precisely where de Moubay takes us in a fascinating survey of an alternative investment market that is strictly for the Big Boys. Only if you are seriously rich and plegmatic to boot should you even contemplate dipping a toe into this most irrational of markets.

De Moubay is sound and revealing on matters financial as he takes us through the bloodstock boom of the 1970s and '80s. But his special quality lies in handling the mystique and dogma of the racing and breeding worlds and in explaining why confusion and uncertainty still surround the simple question of why one racehorse runs faster than another.

MICHAEL THOMPSON-NOEL

A MARVELOUS YEAR: Col- low's Languish; Mrs Tynan on Mr Tynan; a vintage tale from Dame Iris; elegant rapier-work from John Curry's *Original Copy*; Mordant Crook's survey of architecture (*The Dilemma of Style*). But in the end it's for language without words - Snowdon's *Skills* (1987) (Vintagel & Black, £15.95). The royal shunter shows great good humour in his portrait; he reveals characters with faithful honesty - Nureyev on a Medici chaise; Anthony Hopkins as a biased oak; Alan Bennett in the meat market. Snowdon is our best celebrator of the lively arts, his skills leaping with life.

ROGER LEWIS

SOME WRITERS make fine subjects for biographical portraiture, regardless of their literary merits or demerits - Zola, for example, who set out to be a social historian and propagandist rather than an imaginative artist; but around whose character and career Alan Schom, an American scholar, has woven an absorbing book.

The central point of the story he unfolds in *Emile Zola: A Biography* (Black, £14.95) is, of course, his hero's connection with the Dreyfus case, where with a courageous article headed 'J'accuse', he helped to rescue an innocent man from life-long imprisonment and restore the public faith in French justice.

Professor Schom's lucid account of this complex drama would alone make his book worth reading. It is full, moreover, of illuminating minor details, such as Zola's impression of England.

PETER QUENNEL

MY CHOICE for 1987 has to be Saul Bellow's *More Die of Heartbreak* (Secker & Warburg, £10.95) because it is simply the most stimulating novel I have read for a long time. The story - about a distinguished botanist who marries a younger woman and gets drawn into political intrigue and financial double-dealing - is secondary to the sparkling provocation of the language and the pleasure of the characterisation.

We seem to have no equivalent to Bellow in the contemporary English novel. Iris Murdoch, for example, who is of at least comparable intellectual stature, seems and puzzles where Bellow strangely amuses and stimulates new lines of imaginative investigation.

And behind all this the basic subject is deadly serious - nothing less than a Spenglerian view of the West and the inevitability of the good guys going down and the bad coming up. Now in his seventies Bellow has proved himself once again the most exciting talent in the field of American fiction.

GEOFFREY MOORE

FEW BIOGRAPHICAL studies have covered so much ground in so readable a form as Walter Isaacson and Evan Thomas, *The Wise Men* (Faber & Faber, £15.95). These portraits of six American statesmen - Harlan, Lovett, McCloy, Acheson, Bohlen and Kennan - are vivid, memorable and persuasive as well as informative. The balance in interest and weight, though not, alas, in price is the superbly edited *Documents on British Policy Overseas, Series II Volume IX: The London Conference, Anglo-American Relations and Cold War Strategy, January-June 1950*, (HMSO, £35), a publication which for an expert of world more gripping than most studies of the British contribution to the cold war.

ZARA STEINER

THOUGH BLEAK in subject matter and with few flourishes of style, Bernard MacLaverty's new collection, *The Great Profound* and other stories (Jonathan Cape, £9.95) turns out to be 11 of

deal of new material it effectively shoots down Brooke as a hero of a war that needed one, and as a golden boy of the establishment.

A tormented, suicidal bisexual among left-wing simple livers, until he was taken up by Edward Marsh, Churchill and the beau monde of London hostesses, Brooke mistreated friends and lovers and coasted along until his death in 1915 on overrated verse and the diminishing asset of his remarkable good looks.

The book sets him in the context of a world which, though it may seem small, had social and political influence as a cousinly rival of the Bloomsburys and even - ironically, since Brooke became the icon - figure of respectable patriots - a sort of avuncular predecessor of the Cambridge spies two decades later. It does not condemn, but uses documentary evidence with chilling, lively effect to undermine all sorts of long - accepted myths.

ISABEL QUIGLY

THEY must arrive by Wednesday December 16. Results, winning entries, and a full report will appear in the Weekend FT on 2nd January, 1988.

I FOUND *The Diary of Julie Manet* (Sotheby's Publications, £19.95) an enchanting book. Julie was the daughter of Berthe Morisot and Eugene Manet, the brother of the painter; she was orphaned early, and the kindly impressionist painters took her under their avuncular wings. These extracts from the diary she kept between the ages 16 and 20 (translated by Mme and Mlle Roberts) give a view of their world as refreshing as a spring poem. Julie Manet describes them as leading good bourgeois lives - though their studios were cluttered with canvases, they kept an excellent table. Berthe gives hints on painting and Degas plays an unexpected role as a match-maker, finding a perfect husband for Julie. A delightful story with aptly chosen illustrations.

JANE ARDY

AN ENJOYABLE book about Nicaragua seems like a contradiction. Yet *The Jaguar Smile* (Picador, £2.95) by Salman Rushdie is not only enjoyable but often funny. *El escorcion hindu*, as he became known, was the guest of the Sandinista Association of Cultural Workers for three weeks in July 1985 and embarked on his trip not knowing what to expect, but fearing the worst. What he found was a land of poets and bizarre details. As a founder of the Nicaragua Solidarity Campaign, his sympathies are made clear from the start. But he can spot a rationalisation a mile off and is worried about the threat to freedom from inside as well as outside the country. He does not let doubt slide into cynicism or hope into naivety.

VALEKY MCCONNELL

AFTER ALL the words of 1987, I turn to *Visions of a Nomad* (Collins, £20), Wilfred Thesiger's stupendous photographs from a life of travel as my book of the year.

Africa, Asia and the Arab world are his subjects. I have never taken a photograph in Europe, nor photographed a European. It has never occurred to me to do so. It is a book of

unearthly beauty, both of people and places, but with a poignancy that reminds one at every turn of the impermanence and desolation of so many of these countries by natural and political disaster, or simply intrusion. Thesiger is content 'just to remember.' The book, finely produced, allows us to share his memories.

GILLIAN DARLEY

BRUCE CHATWIN continues to prove in *Songlines* (Jonathan Cape, £10.95) that you can move with less and that the true stylist hides his style. This book, apparently about Aboriginals, is much more about men and women and violence. A modern vision of *The Wanderer*.

JOHN RALSTON SAH

TWO NOVELS read early in the year have stayed with me more than several read since. Philip Roth's *The Counterlife* (Corgi, £10.95) and V.S. Naipaul's *The Enigmas of Arrival* (Viking, £10.95). Both were innovations in form that disconcerted habitual admirers. Both showed how the life we choose for ourselves never completely succeeds in suppressing the life we inherit. When an American Jew or a Caribbean Indian settles in rural England his repudiated household gods move in with him. Roth made his point through a series of optical illusions; Naipaul through a series of descriptive rewrites. Both ended in the country and the mood was deceptively comic; Naipaul began there and the mood was deceptively pastoral. Both left us in no doubt of the truth of Greene's summation of the novelist's art: 'Pain is my profession.'

ANTHONY CURTIS

NONE OF the political works that I have read came quite up to *My Book of the Year* standard, so I opt for Iris Murdoch's *The Book and the Brotherhood* (Chatto & Windus, £11.95). I know much of it is a woman's magisterial and, by now, Dame Iris may even have stopped parodying herself. She just writes like it now, as in the following 'She noticed Daniel Deronda lying on the bedside table under the pink-fringed shade of the lamp. She couldn't read it. She thought, perhaps I have come to the end of reading. I am not alone in being hooked on these intellectuals incapable of running their own lives.'

MALCOLM RUTHERFORD



Children in Northern Ethiopia, one of Wilfred Thesiger's memorable photographs in "Visions of a Nomad"



Julie Manet, the painter's niece, whose Diary is one of the Books of the Year

his latest work, he has a good deal of fun at the expense of a group of research students labouring to produce unreadable theses on improbable topics, contrasting these portentous endeavours with the instability of their private lives and love affairs.

There is a serious, if unspoken, underlying theme: the general decline in British educational standards. Dutoit has a firm grasp on the shifting patterns of contemporary jargon, and one hardly knows whether to laugh or weep at the linguistic absurdities so neatly pilloried in the pages of this hilarious fantasy.

ERIK DE MAUNY

I MOST enjoyed reading Robert Rhodes James's biography of Anthony Eden (Weidenfeld & Nicolson, £18.95). Not only is the author one of our most skilled biographers but he knew Eden personally and contrives to combine a measure of criticism with basic sympathy towards his subject. He provides much revealing information (and even more revealing photographs) about Eden and his background not generally known to those who only encountered him politically. Rhodes James is also almost always fair to Eden's political opponents. Yet another merit of the book is that the author does not dogmatically claim to have solved the mystery of Eden's tragic miscalculation over Suez.

DOUGLAS JAY

ROSE MACAULAY got it about right. 'The trouble with countries,' she said, 'is that, once people begin travelling in them, they are apt to get over-written. No-one (apart from fans of Count Dracula) can say that of Transylvania, so Patrick Leigh-Fermor was on to a good thing when he set out, one day in 1933, to walk from the Hook of Holland to Constantinople on a pound a week provided by his parents. It meant that he had to

cross Transylvania in the second section of the journey, as told in *Between The Woods and the Water* (John Murray, £13.95). As he describes it the country and its people are just as dotty and even more charming than one expects. But then, this traveller is a brilliant and beguiling describer. And a lucky one. The Balkans seem to have been one vast conspiracy to entertain and, once at least, to flirt with him. Did he reach Constantinople? For the answer I must wait, all agog, for volume three. Meanwhile we have this brilliant and enjoyable book.

ADVANCED CAPITALISM has generated, and continues to generate, the highest material standard of living for large masses of people in human history. It is also a necessary, but not a sufficient condition of democracy, and indirectly of basic human rights. On the other hand it is inferior to socialism in its ability to conjure up ideas and myths which legitimate it in the eyes of image-makers and 'intellectuals'. Thus it is highly dependent for survival either on crude material results or on its being surrounded by traditional institutions such as religion and the family, themselves vulnerable to the rationalist values fostered by modern development.

This was the thesis of Schumpeter's classic *Socialism and Democracy* first published in 1942. A new book by the US economist, sociologist, and writer, Edgar, *The Capitalist Revolution* (Wildwood House, £6.95) comes to essentially the same conclusion (without Schumpeter's prophecy of doom), but supplies a wealth of fascinating detail, bringing in a wealth of new evidence including the experience of East Asian capitalism. A needed present for many.

Chenel 130

ARTS

Le Corsaire comes west

Clement Crisp visits the Kirov Ballet in Paris

FOR THE next two months, until 10 January, the Kirov Ballet is in Paris, complete - as only a great Russian company is complete - with its own orchestra. Six different programmes will be on view, and the opening performance last week brought a first chance for the West to see the full-length *Le Corsaire* as it was revised and revived for the Leningrad troupe.

On the evening before I saw this staging, I had watched the Royal Danish Ballet's *La Sylphide*, where a nineteenth-century text has been preserved and honoured across the years, even if some modernisation of style has been inevitable. *La Sylphide* is a Bourvillier's creation still. The case is very different with *Le Corsaire*.

The history of this celebrated old ballet starts with a first version mounted by Marius Petipa at the Paris Opera in 1856. A slight debt was owed to Lord Byron, whose poem of the same name provided a tenuous dramatic scheme for the action. Far more was owed to the spectacular stage effects - including a shipwreck - which framed the story of a beautiful Greek girl, Medora, rescued from the clutches of a villainous Turkish Pasha by the efforts of the eponymous Corsair, Conrad.

The ballet reached St Petersburg in 1868 in a production by Jules Perrot, with assistance from Marius Petipa, who was also to appear as Conrad. Once again stage machinery, grand scenery, were of prime fascination for audiences, and the piece was subsequently revised by Petipa four times before the end of the century. Alterations were made to the narrative; there were large choreographic interpolations, of which the most important was the scene of the *Jardin d'Amour* as an entertainment in the Pasha's harem,

whither Medora had been abducted for a second time. (Her life is one of constant excitement.) This found the corps de ballet deployed as living flowers in an exquisite *ballabile*, with Medora and her best friend, Gulnara - a relationship too convoluted to rehearse here - at the centre of some splendid classical evolutions.

The ballet survived on terms of its dance excitement and its scenic showpieces. I have to record some slight acquaintance with this, in that I was privileged to see Tamara Karasavina, Medora's narrative of the shipwreck, as she had played it at the Mariinsky Theatre in the early 1900s. The image of this great artist registering terror, and even showing the flash of lightning, is with me still: Karasavina seemed miraculously to have become the beautiful young girl immortalised in the old Petersburg photographs.

Even with Petersburg become Leningrad, *Le Corsaire* persisted in the repertoire, though thought sadly old-fashioned. In the 1960s, the ballet-master Pyotr Gusev sought to restore it, with the assistance of the critic Yuri Slonimsky, for the Maly Theatre in Leningrad, and before his recent death, he had made a further revision for the Kirov, which has been edited by Oleg Vinogradov, artistic director of the company.

And is this *Le Corsaire* still? We must forget any link with Byron, unless he were a script-writer for the Peris of *Pausanias*, for the action is cinematic turgidity. We must even forget the ballet's narrative as it was originally conceived. What we see is an illogical and reasonably foolish collection of scenes which serve as a setting for relics of the Petipa choreography: the famous pas de deux (which turns out to be a pas de trois for Medora, Conrad and his friend Ali, who wears the harem trousers and algarbes); a trio for Odalisques; the *ballabile* of the *Jardin d'Amour*, and some national dances for Corsairs and their ladies which are done with sublime skill by the Kirov artists. Other elements from earlier versions exist as mad irrelevances. The shipwreck opens the ballet on a note of high theatrical display (begin as you mean to go on, is the motto of this version), and there follow such jollities as a slave market, and a scene in a grotto in which Conrad is given a heavily drugged bouquet as a Mickey Finn. It is all good, clean, rumbustious fun, equipped with exquisite traces of the old ballet like tiny fragments from a lost mosaic.

And is it worth-while? The answer must be a 'yes' with reservations. These have first to do with the decorative style provided by the designer, Teymuraz Murvanidze, whose settings look both dated and not dated enough. They are sub-Bakst in places, pure Hollywood glitz in others. What was arguably needed was design in the 19th-century veridical manner so magnificently preserved by the Kirov for their staging of *La Bayadere*, where sets have been plausibly conserved from the turn of this century. Costuming, by Galina Solovieva, much given to tailors and fly-away bits of fabric, the effect is over-busy. The last century's conventions are respected in that for much of the ballet only Medora and Gulnara are allowed to don tutus, which might lead the wicked Turks to suppose that they have abducted a couple of Evzones rather than some Greek maidens.

But whatever the improbabilities of the staging, the Kirov artists give heart and soul to the piece. The national dances have that unique Leningrad combination of physical dash and aristocratic manners; in the *Jardin d'Amour*, the corps de ballet in tutus move with a serene rightness as they manipulate garlands and unfold Petipa's clever patterns. At the centre of the ballet, the principal roles are more than paper. For the two ballerinas, Medora and Gulnara, there are virtuosic set-pieces, but little emotional meat. Typically, when Medora finds herself abducted to the Pasha's harem, she meets her friend Gulnara there, who is a slave market, and a scene in a grotto in which Conrad is given a heavily drugged bouquet as a Mickey Finn. It is all good, clean, rumbustious fun, equipped with exquisite traces of the old ballet like tiny fragments from a lost mosaic.

Nevertheless, the Kirov's ballerinas - I saw both Tatyana Terekhova and Olga Chenchikova as Medora in Yelena Pankova and Irina Chistyakova as Gulnara - seize every moment. Miss Terekhova has a dazzling way with the dances, and can blaze with passion when needed; Miss Chenchikova, with her warmly open, elegant style, gives Medora a wonderful generosity of outline, superb in upper torso and arms, that seems deserving of better things. Both Konstantin Zakharenko and Eldar Aliev are decent Conrads (there is a certain amount standing about to the role arms crossed, registering nobility in the wrong way, to rescue Medora); dance honours go to Ali, the hero's statutory friend, and here Farouk Ruzmatov, an ardent temperament matched by ardent dancing, is very fine.

Thus *Le Corsaire* in its newest incarnation. Part pantomime, part garden of remembrance, it needs Kirovian passion to make any sense of it at all. The happy ending is the Leningrad artists can provide just that.

Dominic Gill

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Dominic Gill

A new Cooney farce is born

EARLY CHRISTMAS silliness is on tap at the Yvonne Arnaud in Guildford, where Ray Cooney's new medical farce, *It Runs in the Family*, opened on Thursday night.

There is not much that is intrinsically funny about the continuing deficiencies of our Health Service, but as usual, Mr Cooney is immune to contemporary realities. The hospital common room pantomime is rehearsed and a paternity suit is about to be served on a fraught neurologist, Dr Mortimore, who is due to deliver the Ponsby lecture to an international conference.

This robust structural groundwork does not yet yield ecstatic farce of the highest. Cooney's farce, but it is fascinating to see the author - who also directs and appears as a glum stooge to John Quayle's spreadeagled comic hero - testing his options in open workshop conditions. The National Theatre conducts precious experiments behind closed doors. Cooney keeps open house, and Guildford knows it is participating in play-making history.

Mortimore's wife (Wanda Ventham) is on hand to support which is promptly demolished by an old nursing flame (Una Stubbs) announcing that her child by Mortimore is a healthy baby, a quiet driver, in trouble with the police, and looking for Daddy. Young Leslie (Ian McCulloch) is a punyish boy with torn jeans and an irritatingly earnest way of doing Michael Crawford impressions. The chairman of the hospital board (Dennis Ramsden) wants to know when the war will start.

Patient stations ensue with Mortimore passing himself off to his own son as a patient who came in with gout only to be operated on for piles. Half the cast find themselves outside on a window ledge in a snowstorm and Matron (Charmian May) is syringed in the bottom. A junior doctor (Peter Blake) is keen to do his bit for rehearsals and becomes one of several proliferating matrons with broken arms and Cleft accented.

Troubled legs are rolled up, identities bartered with manic glee, and Mr Cooney finds himself sitting on a drug, incidentally nymphomaniac with a mouse, a nurse, a cleric, and two pairs of legs. As in every good farce from Ben Travers to Joe Orton, the location becomes a madhouse filled with an epidemic of unbridled lunacy.

When a real patient (Derek Royle) at last appears in a wheelchair, he takes the common room to be a private ward stuffed with people and diversions assembled merely to keep him happy. Mr Royle, our most blissfully decrepit factor, is a well-meaning, discomfited, locked in lavatory and thumpingly dispatched to the sidelines, is a source of unalloyed joy and vicious delight.

The piece needs fine tuning and a tighter control over the offstage fracas at the conference and the rehearsal. I also think Mr Cooney should devise a way of getting more characters into nursing gear, starting with Bill Pertwee's ramrod police sergeant.

In John Quayle's brilliantly funny performance we see the confirmation of this actor's right to be considered a star in the farcical galaxy. Tall and angular, there are hints here of both John Cleese and Michael Barrymore. But comparisons are transcended in his own special brand of threatening farce, his casual gracefulness and lightning speed of thought and action.

Michael Coveney

Chess No. 689

1 Q-N3, 2 K-E2, 3 N-K3, or 4 B-N5 (or R-R5); 2 Q-B4, or 3 B-N3 (or R-R5); 2 Q-B3, or 3 (N-K2) moves; 2 Q-Q5, or 3 (N-N7) moves; 2 Q-E3.

As a theatrical melodist, Andrew Lloyd Webber may yet touch new heights, but *The Phantom of the Opera* (Polydor PODVCS, 2 records, CD 881 273-2) will be a hard act to follow. His lyrics - here by Charles Hart and Richard Stilgoe - obey pop song imperatives rather than the Cole Porter's example, but the work achieves an overall thrilling emotional crescendo, one fully captured on this recording.

David Cullen is an unsung Lloyd Webber associate who works closely with the composer on all his orchestrations. Mr Cullen has produced and arranged the music of *The Phantom of the Opera* (EMI SXX 0712), a selection of songs from his shows of the 1980s performed in close harmony with two tenors, basses and counter-tenors. This sort of easy listening I usually find hard to take, but I bent my ear voraciously towards a brilliant 'Oh what a circus' from *Evita* and a funky, growling, get-on-down 'Ran Tam Tagger' from *Cats*.

Michael Coveney

Opera

Sinopoli's Tosca

THE LATEST revival of the venerable Zeffirelli production of Puccini's *Tosca* at Covent Garden has potentially a strong cast, headed by Ingvar Wixell's Scarpia and Eva Marton's Tosca. Less creditably, it is conducted by Giuseppe Sinopoli, and almost all one's doubts about the evening can be attributed to that source.

Sinopoli's treatment of the score is in one authentic sense a phenomenon: it is quite unlike anyone else's. But that does not imply that it is either idiomatic or illuminating, quite the opposite - many of the lines emerge haphazardly crossed their textures inverted, and the singers are left to cope as best they can, further hampered by ponderously slow tempi. It is often hard to explain Sinopoli's mauling of the score other than in terms of sheer incomprehension; he does not seem to grasp the expressive point of a phrase, or to pursue a harmonic rhythm for more than a few bars at a time, so that the music advances in fits and starts, the stresses applied with unfailing inaccuracy. And when an instrumental detail is selected for preferential treatment, deformed or decoupled from its context, it is given no justification for independent existence. It becomes just another event along the way, a musical folly to sit alongside all the others.

All things considered, the singing coped admirably with Turso's day's opening. The chief casualty of the arbitrary distortions was Peter Dvornik's Cavaradossi, who was hobbled by Sinopoli's lethargy at 'Recondite armonie' in the very first scene, lost his sense of phrase, and took the remainder of the act to recover some equilibrium. That opening act never got into gear; neither Marton's nor Wixell's intensity compensated for the absolute lack of dramatic impetus from the pit.

It was not until Act 2, by which time one had learned to ignore what was happening in the orchestra except on particularly absurd occasions, that this *Tosca* and Scarpia began to draw blood. There is little vulnerability about Marton's portrayal, visually and tonally it is robust, almost too imposing, but it is hard not to admire the confidence with which 'Vissi d'arte' was launched, nor the control with which it was sustained.

Wixell's Scarpia is now a well known quantity, and his carefully modulated, alarmingly credible performance, coupled with a Radio 4 relay of the production on December 5, when Sinopoli's 'interpretation' may be enjoyed to the full.

Andrew Clements



Eva Marton

Alain Maitre

Roderick Earle's splendidly personable Angelotti - so that the evening's disasters were almost exclusively confined to the conducting. Collectors of gruesome operatic occasions may look forward to a Radio 4 relay of the production on December 5, when Sinopoli's 'interpretation' may be enjoyed to the full.

Yet supporting roles too are solidly cast - a special word for

Andrew Clements

Adroit use of faith

Radio

THE POTTING Shed (Radio 4, Monday) displays Graham Greene's versatile technical skill. The story is a characteristic study of the merits of faith, that which has been the basis for a novel; at the same time, it is very much a three-act theatre piece of its time (1957). There is a mystery to seduce Aunt Edna, and a scene of happy end for all. There is little vulnerability about Marton's portrayal, visually and tonally it is robust, almost too imposing, but it is hard not to admire the confidence with which 'Vissi d'arte' was launched, nor the control with which it was sustained.

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The Enchanted Garden scene from "Le Corsaire"

Warsaw in London

The Warsaw Philharmonic are a lively, responsive orchestra. They are not the subtlest of ensembles when it comes to the finer details of tonal colouring and emphasis - but they respond to firm and muscular direction, and they can reliably produce, as on Thursday at the Festival Hall, a perfectly decent and enjoyable concert of the mainstream repertoire.

The Warsaw Philharmonic's programme, conducted by their General and Artistic Director Kazimierz Kozłowski, with Sibelius (the *Finlandia* overture) and ended with Shostakovich (the fifth symphony) - both unexceptional, but also unexceptionable, performances, well enough balanced, agreeably tuned, tolerably well shaped. Neither one made history, dis-

playing neither any great virtue, or any notable fault. Beethoven's Emperor concerto was the centrepiece, and John Lill was Modest. His playing throughout had splendid clarity, and there were more than one or two moments, especially in the slow movement, of unusual delicacy and refinement. There were other gestures too which seemed curious, and unexpectedly, withdrawn - as if, since the fundamental stance of the performance had not yet been quite settled, caution was the best policy. For all his qualities, Lill is not known principally as a risk-taker: but I have certainly heard more interesting and adventurous Beethoven from him than this.

Dominic Gill

Auction record for Rossetti's 'Proserpine'

A PAINTING by Dante Gabriel Rossetti of Proserpine, the wife of Pluto, who was doomed to inhabit Hades for ever, sold for £1,430,000 at Christie's yesterday to the London dealer, Christopher Gibbs. It was an auction record for a Victorian picture, and more than doubled its estimate.

Rossetti painted eight versions of the myth, using Jane, the wife of William Morris, as his model: he was infatuated with her. Three survive: one in the Tate, one in Birmingham City Art Gallery, and this, the finest version. It sold at auction for £745 in 1888 and for £25,000 in 1954 when it was acquired by L.S. Lowry. It was on loan to the

Manchester City Art Gallery.

The auction of 19th-century paintings totalled \$3,141,597 but only 30 per cent went to the main cause, which was a painting from Burne-Jones's famous series 'The Briar Rose', which had been lost for many years. It was bought by a collector from the bottom of its estimate, suggesting some greed on the part of the lady vendor. A portrait of Sybil, the female prophet, as envisaged by Rossetti, sold for £69,000, a record for the artist. This painting had been lost but it surfaced recently in a lavatory in Connecticut.

Antony Thorncroft

Records

Showbiz time

KIRI TE Kanawa sings Eliza Doolittle. Next week, no doubt, Lulu sings Madame Butterfly. In theory, such cultural crossovers, as the New York Times calls them, are a good idea. In practice, the results can be embarrassing. The new *My Fair Lady* (Decca MFL1, CD 421 200-2) is heavy with the noise of Kiri holding herself in. The phrasing is beautiful and deliberate, the tone lush, the Cockney vowels emphatically winking us a very Maori Christmas.

But it all sounds dreadfully respectful, never coming out and joyous. All-night dancing is the last thing imaginable on this Liza's agenda, that song delivered with crystalline but colourless purity. Something much more sinister and sinister than upward mobility and falling in love is going on here. Not so much hurrah Kiri as here Kiri.

John Mauceri conducts the London Symphony Orchestra with great verve, and Jerry Hadley, a fine American lyric tenor, proves that 'On the street where you live' can withstand both an opera singer's technical clout and years of automatic rendering, and rendering, elsewhere.

I last thought of Jeremy Irons as a musical performer when he played opposite David Essex in *Godspell* in the early 1970s. His Higgins is apposite with asperity, wildly caustic in parts, but a good outline for stage development. Irons sings more better than did Rex Harrison, and could well re-define the role as his own.

There is a wonderfully exuberant and ditty Doolittle because it never really happened, but because no-one seriously considered the possibility that it might. Show albums are best when based on real shows. *Follies* (First Night Encore 3, 2 records, 2 CDs) is a wonderful memento of one of the year's theatrical highlights, and a fine

record in its own right. The mirrors, the tap, the regret and the brassiness are all centre stage at the Shaftesbury in 'Who's That Woman', led by Lynda Baron, and that number is the crux here, too.

The four new songs Sondheim has written for London are stylistic post-dates of *Follies* proper and, with the exception of the poisoned conversation piece for a childless marriage, 'Country House', unexceptional. Diana Rigg is involved in two of them and is, not surprisingly, better in the flesh than on disc. Julia McKenzie gives poignant, cutting and definitive versions of 'In Buddy's Eyes' and 'Losing My Mind'. David Healy is superbly bouncy and bright.

A terrible climactic collision is made of 'Broadway Baby', 'Ah Faree' and 'Rain on the Roof' (which Pearl Carr and Teddy Johnson discharge fleetly and charmingly), a serious staging flaw that I am shocked to find uncorrected in the recording studio. Otherwise, no complaints. I prefer this *Follies* to the crazed hysteria of the Avery Fisher concert recording, and it obviously replaces the exiguous original cast album.

That's Entertainment Records has pioneered show recordings and much needed excavation work in recent years. As other competitors enter the breach, so the company has widened its range to include opera, operetta and film scores. Top of their Christmas list, and of mine, is the New Sadler's Wells *HMS Pinafore* (TER 2 1150, 2 CDs), a recording of pristine freshness and baring brio.

I must confess that I remained immune to the vaunted quality of this production a few years

back. But I happily trade that disappointment for this, the first complete recording, lovingly prepared from the company's audio-graph copy by David Russell Hulme. Nicholas Grace preserves for posterity his tight-fisted Sir Joseph of the erect stance and primed voice, and there are other musical performances of the highest class from Linda Orniston as Buttercup and Gordon Sandison as the Captain of the Queen's Navy.

The band and chorus under Simon Phipps's vigorous direction have great fun giving us all three finales (the Golden Jubilee one, the original and D'Oyly Carte's). If D'Oyly Carte do return, as is rumoured, to the West End next year, they will find new and other standards to contend with.

That's Entertainment tells its name, also, with Gian-Carlo Menotti's *Amahl and the Night Visitors* (TER 1124), a Christmas tale whose date, 1961, suggests the place in the company's rich period. This version was given at Covent Garden last Christmas, James Rainbird outstanding as the crippled beggar boy visited by the three Kings en route to Bethlehem. Lorna Haywood sings his mother, Donald Maxwell Melchior. But oh, and such, and such, what bland musicality, what closing sentimentality. The Menotti-ness of it all soon becomes monotonous.

More tawny but more fun is *The Girl Friend* (TER 1145), based on the Mercury, Colchester, revival of Rodgers and Hart's 1936 musical comedy praised on this page by Martin Boyle. About half of the songs are not by the masters at all, but derive from the 1927 West End bastardisation which incorporated the work of

such other songsmiths as Gus Kahn, Con Conrad and Otto Harbach.

The result on record is an incoherent hybrid, incoherent in its own right, the worst in good order, the record's direction and orchestrations of George Fenton witty and smart. It is not fit to live with the Cole Porter songbook of *Mexican Hat*, *Puttin' on the Ritz*, or *Sinatra*, but it is a good deal better than the *Angels* Richards singing 'In the Still of the Night'.

As a theatrical melodist, Andrew Lloyd Webber may yet touch new heights, but *The Phantom of the Opera* (Polydor PODVCS, 2 records, CD 881 273-2) will be a hard act to follow. His lyrics - here by Charles Hart and Richard Stilgoe - obey pop song imperatives rather than the Cole Porter's example, but the work achieves an overall thrilling emotional crescendo, one fully captured on this recording.

David Cullen is an unsung Lloyd Webber associate who works closely with the composer on all his orchestrations. Mr Cullen has produced and arranged the music of *The Phantom of the Opera* (EMI SXX 0712), a selection of songs from his shows of the 1980s performed in close harmony with two tenors, basses and counter-tenors. This sort of easy listening I usually find hard to take, but I bent my ear voraciously towards a brilliant 'Oh what a circus' from *Evita* and a funky, growling, get-on-down 'Ran Tam Tagger' from *Cats*.

Michael Coveney



Michael Coveney

Chess No. 689

1 Q-N3, 2 K-E2, 3 N-K3, or 4 B-N5 (or R-R5); 2 Q-B4, or 3 B-N3 (or R-R5); 2 Q-B3, or 3 (N-K2) moves; 2 Q-Q5, or 3 (N-N7) moves; 2 Q-E3.

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Michael Coveney

PICK OF THE WEEK AT CHRISTIE'S

Pablo Picasso
Tête de Femme de Profil, 1906
Signed, oil on canvas, 18"x14"

This is one of the earliest studies by Picasso of his mistress, Fernande Olivier, and shows the artist first starting to assimilate Greek Classical art. It is one of 23 Important Modern Paintings and Watercolours from the collection formed by the late Josef Müller, of Solothurn, Switzerland, to be sold at Christie's, King Street, on Monday 30th November at 7.00 p.m. In addition that evening 55 notable Modern works of art will be sold, including Degas' 'Les Blanchisseuses' and Gauguin's 'Les Trois Huites'. For further information about these and other sales in the next week, and for a copy of the monthly sales calendar, please telephone 01-839 2746.

8 King St, London SW1
85 Old Brompton Rd, London SW7
164-166 Bath St, Glasgow

Michael Coveney

WEEKEND FT

• SPORT •

Tennis/John Barrett

A lack-lustre end to the year

THIS IS the silly season in tennis. Next week in New York and the following week in London the top eight men in singles and top eight pairs in doubles will, in theory at least, be disputing the last great tournaments of the year to decide who really are the kings of the court. Yet the men competing in the two Nabisco Masters events will be more concerned with the financial implications of their participation than with the titles themselves. That may sound cynical but it is a view based on 15 years of observation.

The Grand Prix competition itself is a season-long, points-linked circuit which was established in 1970 as a defence against the encroachments of the entrepreneurs whose activities had accelerated the arrival of open tennis in 1968. The theory was that players would not be tempted to play "special events" if the prizes for the Grand Prix bonus pool and for the last event, The Masters, were high enough. Accordingly over the years money has been poured into these two areas. When Cliff Richey won the points race in 1970 his reward was \$25,000 and the Masters winner that year, Stan Smith, took \$10,000. Contrast that with the \$300,000 that Ivan Lendl will be paid next week as points leader for the year and the \$200,000 that the Masters winner will receive. Inflation accounts for only a small percentage of those increases.

But there is a snag. The eight men who head the points table cannot claim their bonus prizes unless they participate in the Masters. No great hardship, you might think, for men whose living is concerned with chasing a fluffy yellow ball about a court. Yet they tell you, these hardened athletes who are the media, have turned into the pampered poodles of the sporting world, that at the end of a hard season of some fourteen tournaments, plus Davis Cup ties, involving at the most 22 weeks of play, they really need a prolonged rest.

Clearly this is nonsense. The great men of the past played more tennis than that without complaint, and there were more five set events then, all without tie-breaks, as well as doubles and mixed doubles in which today's top singles men rarely

play. If they are tired then it is because they have been indulging in too many "special events." Not that I have any objection to special events as such. In fact I believe they play an important role in bringing the game to a wider public. However, it is surely perfectly fair for the Grand Prix organisers - the Men's International Professional Tennis Council - to make rules to protect the investment of their sponsors.

While the rules are there the players will abide by them - as long as there is a financial advantage. Accordingly you can be sure that Jimmy Connors, who had said he was taking a lengthy break from the game following a surprise defeat in Israel last month, will be there next week competing at Madison Square Garden. And he can pocket the \$100,000 that comes to him for being sixth on the Nabisco points list. Tired or not, wouldn't you?

The sad thing is that the Masters, despite several changes of format, has never been the great climactic event it should have been. Too few of the participants are mentally prepared for what inevitably will be one of the toughest weeks of the year. Mind you, it is better now that these events are played in December. When they took place in January as the first tournaments of the year there was a distinct after-Christmas rustiness about everyone's game.

In the past we have too often had examples of players clearly not giving their best in the round-robin section. To tackle that problem the players now receive an appearance fee of \$10,000 plus \$20,000 for winning any of their three round-robin matches. For winning a semi-final they earn \$50,000 and a further \$100,000 is awarded to the overall winner.

So who is likely to be the new Nabisco Master? Current favourites point to Ivan Lendl. Not only has he won the World Championship proved himself the outstanding player of the year with seven tournament wins including a third French and third US Open title but he is also at his best on the indoor carpet that is the surface next week. In fact he has been in the last seven finals at Madison Square Garden winning in 1981, '82, '86 and '88.



Ivan Lendl - points leader for the year

Along with Lendl in the Rod Laver group (a nice tribute to the great Australian you might think, but it turns out Laver is employed as the sponsor's international spokesperson - they don't miss a trick do they?) are Connors (seeded 4), Boris Becker (5) and Brad Gilbert (6). In the Pancho Segura group (not an employee as far as I know) are Stefan Edberg (2), Mats Wilander (3), Miloslav Mecir (5) and Pat Cash (7).

The Gilbert/Gomez struggle is an interesting one. Gomez has only just returned to competition

following injury and is down at itaparc in Brazil fighting for points with Gilbert. If Gilbert gets to the final then he will qualify for the last place. Ever since he beat Cash at the start of the year the 21-year-old Swede has been improving steadily as his sixth tournament win testifies. A shy man, he is at last starting to believe. By releasing his abundant natural

talent from the shackles of doubt he is providing some truly majestic tennis.

What of Becker? I have been with the double Wimbledon champion all this week in Friedrichshafen where he has failed to defend the Waterford Young Masters title that he had won for the past three years. His 2-6, 6-4, 6-2 loss to Magnus Gustafsson revealed an inability to serve with his customary power. More worrying was his lack of customary zest for the game. He looked overtrained and drawn - perhaps the legacy of the illness that has kept him off the singles court for the past five weeks.

However, now that he has adopted the Australian disciple of Harry Hopman, Bob Brett, as his coach believe we might see an upward curve in his fortunes - severely dented since the much-publicised break with former coach Gunther Bosch last January in Melbourne. Brett will gradually restore the confidence that has been the missing factor in Becker's powerful game. The 20-year-old has been like a rug that has been pulled out from under him. He will learn from Brett that he must use his wonderfully powerful frame to overwhelm the opposition as he did so magnificently at Wimbledon in 1985 and 1986.

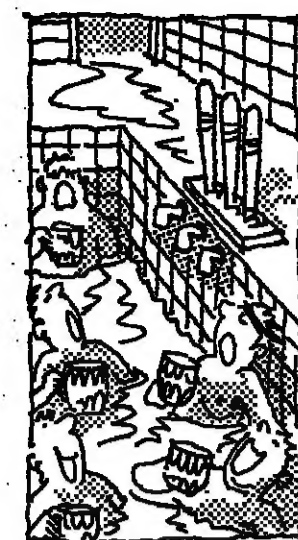
Not for him the long baseline rallies which his manager Jon Tilden is content to have let him attempt for most of this year. Brett will also help him to recover the service dominance upon which he built his early reputation. More than that, he will restore to him the confidence which made the younger Becker such a compelling personality.

Of the others the enigmatic Czech, Mecir, is the one most likely to upset the seedings. He has so often beaten Wilander that he must expect him to do so again. He will almost certainly beat Cash and could worry Edberg. I shall never forget the way he ensnared the bewildered Lendl in his web at Wimbledon, in 1985.

These two, Mecir and Edberg, are the only ones due to return to the Royal Albert Hall for the Nabisco Masters Doubles in two weeks. This championship is at least a joyful end-of-term romp in which the players can relax and enjoy themselves. It will be a pleasure to visit after a four week in New York.

Rugby/John Kitching

The days of friendly fixtures are not quite over but the league system is taking its toll



Is it a league ahead?

LET'S BE honest: it hasn't been as awful as some of us feared. Rugby's Courage English Clubs Championship opened this season amid speculation that it would be bad for The Game; that it would lead to full-scale professionalism; and that it would sound the death-knell of friendly fixtures, many of which had histories stretching back over 100 years.

Some of that is true, but most is not. It is, in the words of Peter Jackson, the distinguished former British Isles winger, "the culmination of 20-odd years of working towards an objective... we had had a league then if I'd had my way."

Courage has committed £1.6m over three years to sponsoring the championship which involves 125 clubs in 106 leagues throughout the country. This compares with 92 clubs in the Football League and 508 in the FA Cup.

The leagues stretch from the high and mighty national Divisions One, Two and Three, containing the likes of Bath, Leicester, Nottingham and Wasps down to Yorkshire Divisions Five and Six, including Adwick-le-Street, Rowntree's chocolate works and the men from what was once described as the last resort on the east coast, Withernsea.

As with any league system, it is theoretically possible for sides such as Withernsea to spend 10 or 12 years working their way up from Yorkshire Five to National One. That is where the excitement and challenge lies for the more ambitious junior clubs.

Never the less, it is sad to see many a friendly fixture falling by the wayside as a result of the league system; and it is worth noting that the pressures of the English championship will lead to fewer Anglo-Welsh and Anglo-Scottish matches.

The Bath and England scrum-half Richard Hill says: "They are a step in the right direction. We at Bath will attach more importance to the table now it is better organised and we will go all out to win."

One of the most controversial corners comes from David Cooke, former England and Harlequins flanker. He says: "If it is properly organised and advertised, it will hasten the arrival of professional rugby, which cannot come quickly enough."

Professionalism is a burning issue in Rugby Union at present. Ripples from the David Bishop affair (did he or did he not cross the border into Rugby League before returning to the Premiership?) spread throughout the game.

The president of the RFU, John Burgess, spoke of his fears at the launch of the Courage Championship. He said: "It is well known to believe that a system of club leagues will be a panacea for all our problems. The championship will lead to the game receiving even more

publicity than before, so attracting power-seeking individuals who will be low for the game. Such individuals could try to circumvent the game's amateur regulations in search of success. This, I believe, is a real danger."

Having said that, Burgess acknowledged that the championship was "now the very foundation of the playing structure in England on which all our hopes are based."

But there has been no sharp rise in off-the-ball incidents or sendings-off, although the level of foul play still remains unacceptably high. One of the more enjoyable games I have seen this season would not on paper have excited any but the most dedicated followers. It was played on a sunny afternoon at Grange Road, Cambridge, between the University's LX Club (second string) and St Thomas's Hospital, London. It was not a league match.

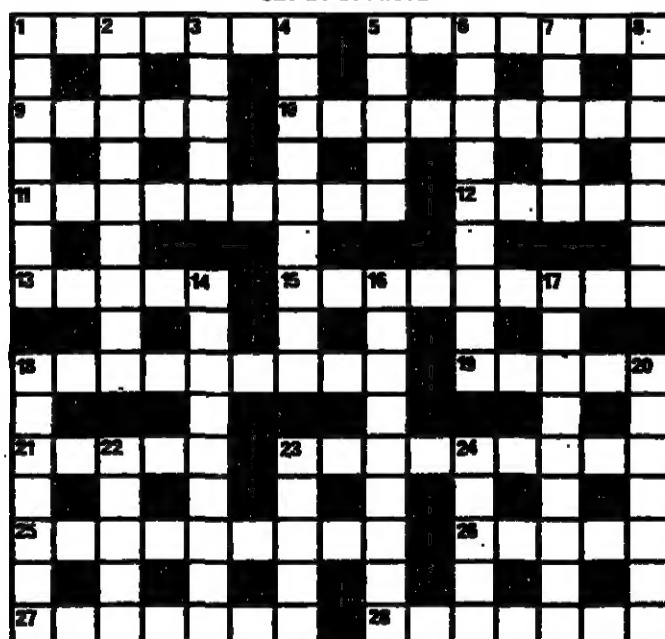
What was so good about it was that the ball was run out to the wings time and again and the forwards were not prepared to let it sit out in a dull struggle which all too often typifies the game at the higher levels. Still, one has to be realistic: the league is no place in which to see the best of the game which sits outside the championship (because of holiday commitments) can afford to throw the ball about.

Never the less, it has long been a fact of rugby life that hundreds of talented student players are lost to the game after university or college, presumably because they find club rugby little to their liking. It would be a shame if the intensely competitive nature of the leagues caused an even greater exodus from rugby.

The brave new world of leagues has certainly brought a greater seriousness to the game and winning is now of paramount importance. The system should be well for the fortunes of the England team in the international Championship in the New Year.

FT CROSSWORD No.6,494

SET BY DINMUTZ



Prizes of £10 each for the first five correct solutions opened. Solutions to be received by next Thursday, marked Crossword on the envelope, to the Financial Times, 10 Cannon Street, London EC4A 3DF. Solution next Saturday.

- ACROSS**
- Bed and breakfast with neat container for hats (4-5)
 - Pledge is returned in warehouse (7)
 - Type of derelict manner (5)
 - Publicity-garment for the third man? (9)
 - What makes a dog off-colour? (5)
 - Novice left in mountainous district (5)
 - Errato, for example, admits nothing and gets a black eye (5)
 - Haberdasher abroad gets better suited (5)
 - Diggers' plot (9)
 - Rings for oxygen in short flights (5)
 - City of Arabs in revolt (5)
 - Straitened queue, say (5)
 - Pa's toothbrush, perhaps, Ma touches with care (9)
 - Continue to play in Ealing part (5)
 - No decreasing this sort of stuff (3-4)
 - Position of nobleman fighting 177 (7)

- DOWN**
- Tedium felt by Sandy in trade expansion (7)
 - Foolish fellow, insensient to phrenology (9)
 - Sender being told (5)
 - Oxy-pheno! extract used by wood-tappers (9)
 - Object of the wall-climbing in France (5)
 - School-leader? (5-4)
 - Carbohydrate that is inverted in asparagus-ends (5)
 - Gossip magazine taking in Times leader (7)
 - Dentist as former tower of strength (5)
 - Right document produced by 28? (5-4)
 - Clumsy yet ambidextrous in fighting (3-4)
 - One pound menu ordered - for the protein (7)

Solution to Puzzle No.6,488

FENNELL TARRAGON
U A A W E D O
LOUANGE LAVENDER
E O G L A N D
TUMERIC CHIVES
I T D A O A T
MINT PARSLEY
E O G L A N D
A R E O D N O
BURNED FEVERBREW
U I N F R O P
SELFRAL SORREL
E L A I L G A
ROSEMARY CLOVELY

Solution and Winners of Puzzle No.6,488

STRATY JACKET
T U N L I E
CYPRESS SAINTLY
L A I S R D E
M I N I M U M L A P
S T I L E P E A R D O P
K E R O S E N E M I T R E
P A T A Q
S T I R B R O A D W O R D
I S R N I P L E
S C A M P E R P L I A B L E
L A A V L T E
L I N E T R O T H E R

Mrs Julia Mash, Bogner Regis, West Sussex; Mrs G. Whybourn, Worthing, Lancashire; Mr P.S. Bagwell, London N3; Mr T. Bonnett, Hartburn, Cleveland; Mr G. Jackson, Chagford, Devon.

SATURDAY

Programmes in black and white

BBC1
8:00 am Romantics. 8:25 am Saturday Night. 8:50 am Comedy. 9:15 am The Muppet Show. 9:30 am The Muppet Show. 9:50 am The Muppet Show. 10:10 am The Muppet Show. 10:30 am The Muppet Show. 10:50 am The Muppet Show. 11:10 am The Muppet Show. 11:30 am The Muppet Show. 11:50 am The Muppet Show. 12:10 am The Muppet Show. 12:30 am The Muppet Show. 12:50 am The Muppet Show. 1:10 am The Muppet Show. 1:30 am The Muppet Show. 1:50 am The Muppet Show. 2:10 am The Muppet Show. 2:30 am The Muppet Show. 2:50 am The Muppet Show. 3:10 am The Muppet Show. 3:30 am The Muppet Show. 3:50 am The Muppet Show. 4:10 am The Muppet Show. 4:30 am The Muppet Show. 4:50 am The Muppet Show. 5:10 am The Muppet Show. 5:30 am The Muppet Show. 5:50 am The Muppet Show. 6:10 am The Muppet Show. 6:30 am The Muppet Show. 6:50 am The Muppet Show. 7:10 am The Muppet Show. 7:30 am The Muppet Show. 7:50 am The Muppet Show. 8:10 am The Muppet Show. 8:30 am The Muppet Show. 8:50 am The Muppet Show. 9:10 am The Muppet Show. 9:30 am 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